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SECRETARY'S BUREAU
March 2, 2000

Tanya McCloskey
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
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~~CONFIDENTIAL~~

RE: 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

Dear Ms. McCloskey:

Enclosed, please find PECO's CONFIDENTIAL response to OCA-VIII-5 and OCA-VIII-9.

Very truly yours,

Paul Bonney/rhs
Paul R. Bonney
Assistant General Counsel

DOCUMENT
FOLDER

/rhs

Enclosure

cc: James J. McNulty, Secretary (cover letter & certificate of service only)
Certificate of Service

EEF

A-110550F0147

Certificate of Service

I hereby certify that I have this day served the foregoing document on the following in the matter of PECO Energy Company's 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.

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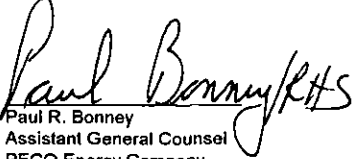
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March 2, 2000

VIA FEDERAL EXPRESS

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**Morgan, Lewis
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ORIGINAL

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MAR 02 2000

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-110550F0147

Dear Secretary McNulty:

Enclosed for filing in the above-captioned matter are an original and three copies of PECO Energy Company's ("PECO") Motion To Strike And/Or Dismiss The Protest And Petition To Intervene Of NewEnergy East, L.L.P. ("NewEnergy"). Pursuant to 52 Pa. Code § 1.11(a)(2), the Motion is to be deemed filed on March 2, 2000, which is the date it was deposited with an overnight express delivery service, as shown on the delivery receipt attached to the mailing envelope.

As evidenced by the enclosed Certificate of Service, copies of PECO's Motion have been served upon the presiding Administrative Law Judge, NewEnergy and all parties of record.


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1-PH:1171947.1

March 2, 2000
James J. McNulty, Secretary
Page 2

Also enclosed is an additional copy of this letter and PECO's Motion, which we request that you date stamp as of March 2, 2000 as evidence of filing and return to us in the stamped, self-addressed envelope provided.

Very truly yours,



Anthony C. DeCusatis
Attorney for PECO Energy Company

ACD

Enclosure

cc: Per Certificate of Service

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

RECEIVED

MAR 02 2000

PECO ENERGY COMPANY'S MOTION TO ~~STRIKE~~ ^{STRIKE} AND/OR DISMISS THE PROTEST AND PETITION TO INTERVENE OF NEWENERGY EAST, L.L.C.

PECO Energy Company ("PECO" or the "Company"), pursuant to 52 Pa. Code §§ 5.101(a) and 5.103, hereby moves to strike and/or dismiss the Protest and Petition to Intervene of NewEnergy East, L.L.C. ("NewEnergy") on the grounds, *inter alia*, that they were filed long after the Commission-imposed deadline for protests and interventions. In support of its Motion, PECO states as follows:

1. This proceeding involves a request, pursuant to Chapters 11, 19, 21, 22 and 28 of the Public Utility Code, for approval of a plan of corporate restructuring, including the creation of a holding company, and the merger of the newly formed holding company with Unicom Corporation. The nature of PECO's request is set forth in detail in its Application filed with the Commission on November 22, 1999.

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2. Also on November 22, 1999, PECO served a notice of the filing of its Application upon all of the parties to its restructuring proceeding at Docket No. R-00973953 (see Application, pp. 27-28 and the Certificate of Service attached thereto).^{1/} One of those parties was New Energy Ventures, which is the same company that, following a name change, is now known as NewEnergy.

3. On December 4, 1999, the Commission caused a notice of the filing of PECO's Application to be published in the *Pennsylvania Bulletin* (29 Pa. Bulletin 6208), which contained the directive that: "Protests or Petitions to Intervene can be filed with the Pennsylvania Public Utility Commission . . . with a copy served on the Applicant *on or before December 20, 1999.*" (Emphasis added.) Twenty-two parties filed timely protests or petitions to intervene in response to the Commission's Order. In addition, the Office of Trial Staff entered its appearance.

4. A Prehearing Conference was held on January 20, 2000 at which procedural matters, including the establishment of a schedule for this proceeding, were established. In accordance with that schedule, settlement discussions among all of the parties were held on March 1 and 2, 2000. Extensive discovery by numerous parties has already been conducted.

5. On February 18, 2000, NewEnergy filed its Protest and Petition to Intervene with the Commission and served a copy thereof upon PECO by first class mail. NewEnergy's Protest and Petition to Intervene were filed two months after the filing deadline established by the

^{1/} Of course, as early as September 23, 1999, PECO and Unicom publicly announced the proposed merger, which received extensive coverage in national and local media and various trade publications.

Commission and published in the *Pennsylvania Bulletin*, three months after PECO's Application was filed and notice thereof provided to NewEnergy, and five months after the proposed merger was publicly announced.

6. A petition to intervene may not be filed after the deadline specified by the Commission, as expressly stated in 52 Pa. Code § 5.74:

Petitions to intervene and notice of intervention may be filed following the filing of an application, petition, complaint or other document seeking Commission action, but no later than the date fixed for the filing of petitions to intervene in an order or notice with respect to the proceedings . . .

7. Similarly, pursuant to the provisions of Section 3.381, which are incorporated by reference in Sections 5.51 through 5.54 dealing with the filing of protests, failure to file a timely protest bars participation in a proceeding:

A protest shall be filed within the time specified in the *Pennsylvania Bulletin*, which shall be no less than 15 days from the date of publication. Failure to file a protest in accordance with this subsection shall bar subsequent participation in the proceeding, except when permitted by the Commission for good cause shown.

52 Pa. Code §3.381(c)(ii)

8. NewEnergy has not set forth any facts that would demonstrate "good cause" for its belated filing nor has it stated a cause or excuse of any kind for ignoring the Commission's deadline. Indeed, NewEnergy has not even acknowledged that its filing is untimely or requested permission to file out of time. Moreover, even if such a request were made, NewEnergy cannot

satisfy the standard established by the Commission for time extensions requested after the expiration of a Commission-imposed deadline. *See* 52 Pa. Code § 1.15(a)(1) (“Upon motion made after the expiration of the specified period, the act may be permitted to be done where *reasonable grounds* are shown for the failure to act.” (Emphasis added.)) It is well-established under Pennsylvania law that inadvertence, misunderstanding, confusion or mistake by a party or its counsel about the time for submitting a pleading are not a valid justification for a filing made out of time. *See Kennedy v. Black*, 492 Pa. 397, 424 A.2d 1250, 1253 (1981); *St. Joe Paper Co. v. Marc Box Co.*, 260 Pa. Super. 515, 394 A.2d 1045, 1047-48 (1978); *Moore v. Howard P. Foley Co.*, 235 Pa. Super. 310, 340 A. 2d 519, 523 (1975). Accordingly, the Commission’s regulations require that NewEnergy’s Protest and Petition to Intervene be stricken and/or dismissed.

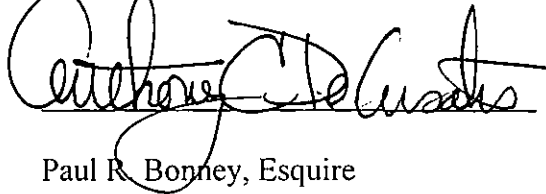
9. Permitting the intervention of NewEnergy at this late date would be highly disruptive to the orderly administrative process of this proceeding. As explained in Paragraph No. 4, above, this proceeding is well underway and several substantive components of the previously established schedule have already been completed. Permitting entry of another party now would have serious prejudicial effects on PECO and, potentially, upon other parties.

10. Additionally, as evident from the averments of NewEnergy’s Protest and Petition to Intervene, it has not stated any interest that is not already adequately represented by existing parties. NewEnergy’s purported interests in this proceeding as a user of PECO’s transmission and distribution system and as an Electric Generation Supplier (“EGS”) participating in the competitive electric generation market coincide with the interests of a number of other parties in

this case, including, as one example, the Mid-Atlantic Power Supply Association (“MAPSA”), which is a trade association of competitive EGSs. According, enforcing the Commission’s December 4, 1999 Order and, thereby, dismissing NewEnergy’s Protest and Petition to Intervene will not cause the interests allegedly espoused by NewEnergy to go unrepresented in this case nor deprive the Commission of any unique perspective on the issues presented by PECO’s Application.

WHEREFORE, for all of the foregoing reasons, the Protest and Petition to Intervene filed by NewEnergy East, L.L.C. should be stricken and/or dismissed.

Respectfully submitted,



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Counsel for PECO Energy Company

Dated: March 2, 2000

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MAR 02 2000

CERTIFICATE OF SERVICE

PA PUBLIC UTILITIES AND
COMMISSION
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I hereby certify that I have this day served the foregoing Motion to Strike and/or Dismiss on the following persons in the manner provided in 52 Pa. Code § 1.54.

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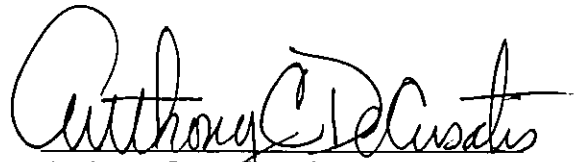
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Anthony C. DeCusatis
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Dated: March 2, 2000

COMMONWEALTH OF PENNSYLVANIA

DATE: MARCH 3, 2000
SUBJECT: A-110550F0147 APPLICATION OF PECO ENERGY
TO: Director, Bureau/Office of Administrative Law Judge
FROM: Janet E. Patrick, Chief Compliance and Management
Service Section

Attached is copy of an Order adopted by the Commission
at Public Meeting held March 2, 2000.

Please direct your attention to the "Ordering
Paragraph(s)" for your Bureau's/Office's ongoing responsibility as
identified therein.

Kindly acknowledge receipt of this memo by signing below
and return this memo to:

Secretary's Office
Attn: Janet E. Patrick
G-05 North Office Building

Thank you for your cooperation in this matter!

Receipt acknowledged:

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(signature)

3/7/2000
(date)

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MAR 08 2000



PECO ENERGY

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5544
Fax 215 568 3389

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March 3, 2000

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James W. Durham
Senior Vice President
and General Counsel

Edward J. Cullen, Jr.
Deputy General Counsel

Sandra H. Byrne
Legal Administrator

Paul R. Bonney
Jessica N. Cone
Todd D. Cutler
Susan Sciamanna Foehl
Vitna Waldron Gaston
Gregory Golazeski
John C. Halderman
Conrad O. Kattner
Kristopher Keys
Kent D. Murphy
Jeffrey J. Norton
Mark B. Peabody
Roslyn G. Pollack
H. Alfred Ryan
Richard S. Schlegel
Jenny P. Shulbank
Ward L. Smith
Delia W. Stroud
Saundra M. Yaklin
Ronald L. Zack
Assistant General Counsel

Brian Downey
Pepper Hamilton LLP
North Front and Market Streets
Harrisburg, PA 17108-1181

RE: 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

Dear Mr. Downey:

Enclosed, please find PECO's response to AMTRAK-I-D-35.

Very truly yours,

Paul R. Bonney
Assistant General Counsel

/rhs

Enclosure

cc: James J. McNulty, Secretary (cover letter & certificate of service only)
Certificate of Service

AMTRAK-I-D-35 Question:

A-110550F0147

Please provide copies of all documents indicating Commonwealth Edison's specific goals, objectives and performance measures with respect to retail distribution service reliability and customer service, as used for any of the following purposes: employee compensation; system planning; operational controls.

AMTRAK-I-D-35 Answer:

Please see Attachment AMTRAK-I-D-35.

Responsible Witness: Robert McDonald (Unicom)

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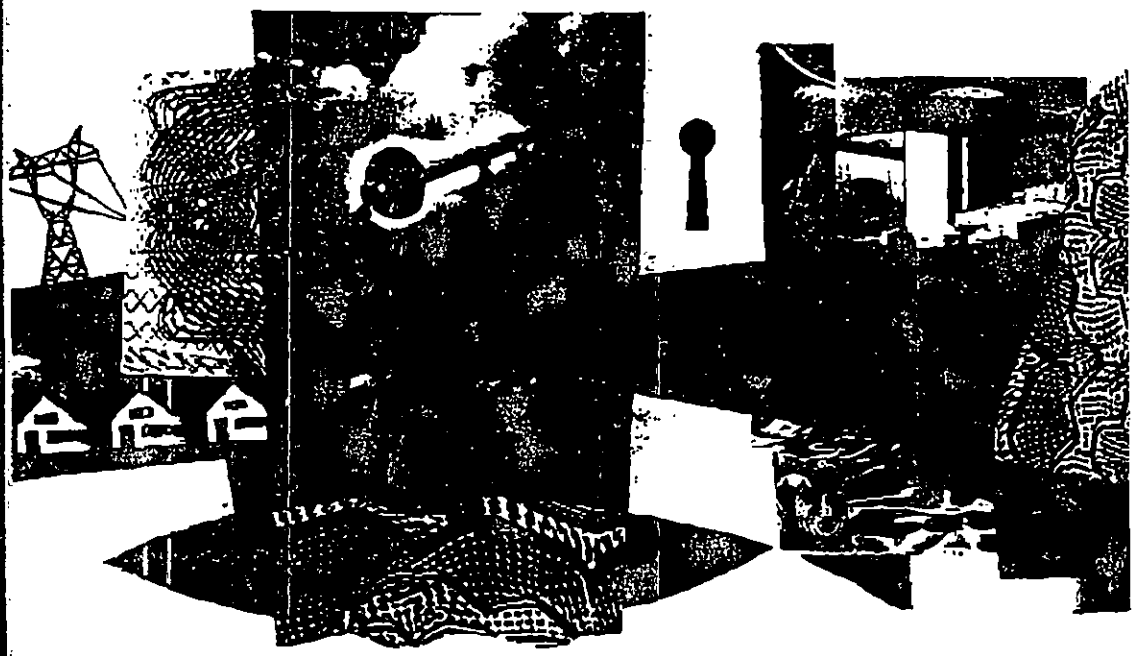
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Attachment AMTRAK-I-D-35

Destinations and Directions 1999



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Unicom Destinations and Directions 1999

TO ALL EMPLOYEES,

In *Unicom Directions*, we laid out six objectives essential to becoming "one of the nation's most effective operators of regulated energy delivery systems, one of its most effective operators of nuclear power plants and the Midwest's leading retail supplier of electricity, natural gas and energy services." We have refined this vision to reflect the increasingly rapid changes within our industry as well as our employees' desire for a more complete picture of where we are trying to go. *Unicom Destinations and Directions 1999* describes Unicom Corporation as four distinct business groups: Distribution Group, Transmission Group, Nuclear Generation Group and Unicom Enterprises Group.

Why should we define ourselves this way? Because the traditional functions of our business are being separated as both the Federal Energy Regulatory Commission and our state proceed with industry restructuring. Generation and marketing are becoming competitive, while transmission and distribution are becoming regulated in new ways. Restructuring has eliminated many of the advantages of operating all of the groups in a closely integrated fashion.

As we move into the future, each group will have its own obligations, challenges and growth opportunities. By developing each of the four business groups, we will be better positioned to pursue new opportunities as they arise. Let me be clear, however: our business groups remain interdependent in a variety of ways. We do not have a plan to spin off each one as a separate company. We simply intend to manage each group to achieve the highest possible value.

All four business groups will be supported by our corporate service functions. Our corporate services must also attain the same type of top-quartile performance that is required of our business groups. Competitive pressures may force our business groups to consider their options, including buying support services from outside suppliers, if our corporate services cannot meet their requirements.

Unicom Destinations is our vision for the future. It is also the foundation for *Unicom Directions 1999*, which — like its predecessor — will serve as a clear statement of direction, a concise record of accomplishments and a basis for holding everyone accountable for future performance. This brochure includes specific goals for each of our four business groups, the milestones we have achieved since we first announced *Unicom Directions* and the Unicom Values. Our values must be present in each of our goals and in every employee's efforts. Although they are most easily found within our culture change objective, each of these values supports our overall strategy. Regardless of where you work within our company, you and I must uphold our commitment to accountability, teamwork, customer focus, integrity, trust, diversity, leading change and continuous performance improvement.

Unicom Destinations and Directions 1999 will be reviewed regularly and modified as required to address developments in the marketplace and regulatory systems in which we operate.



JOHN W. ROWE
Chairman and Chief Executive Officer
Unicom Corporation

Unicom Destinations

Unicom intends to earn a place as a world-class operator of energy production and delivery systems and a successful competitive supplier of energy and related services, meeting the increasing expectations of customers through continuously improving employee performance in four principal business groups:

A DISTRIBUTION GROUP, which

- >> Serves an increasing number of customers in Illinois and other Midwestern states;
- >> Delivers electricity and potentially gas, water or related services;
- >> Meets the demands of customers and the expectations of government with reliability, responsiveness and creativity; and
- >> Earns consistent, superior returns for doing so.

A TRANSMISSION GROUP, which

- >> Serves an increasing portion of this region;
- >> Leads the industry in solving the problems of open access, congestion and bulk power supply; and
- >> Earns superior returns for doing so.

A NUCLEAR GENERATION GROUP, which

- >> Operates as a competitive, potentially independent business;
- >> Sustains a safe, durable, and demonstrably world-class operating record:
 - > Has adequate funds available for decommissioning;
 - > Pursues prudent growth opportunities; and
 - > Has a balance sheet consistent with its earnings potential.

A UNICOM ENTERPRISES GROUP, which

- >> Identifies creative, technology-based solutions for the energy needs of a changing economy and society;
- >> Offers its customers a portfolio of energy products and services; and
- >> Provides consistent growth opportunities and superior returns to our investors.

Unicom Directions 1999

OBJECTIVE: We will provide a reliable supply of electricity as the competitive marketplace evolves and improve the efficiency, dependability and quality of our delivery service.

Providing reliable service — in both supply and delivery — continues to be our highest priority. Last summer, stormy, hot weather and the limited availability of our nuclear fleet pushed our system to its limits. Although we never resorted to controlled service interruptions, or "rolling blackouts," we came far too close and left our customers frustrated and doubtful of our ability to serve.

As we enter the summer of 1999, we are in a far stronger position, with all 16 of our nuclear units available. We will continue to own, operate and maintain high availability levels at our fossil plants throughout this summer. Supplementing our nuclear and fossil generating capacity, we have extensive purchase power agreements and aggressive demand side management programs. If necessary, we will purchase power on the spot market to maintain reliability throughout this summer and beyond.

Even after the *supply of power* becomes fully competitive, our customers will continue to look to ComEd for reliable *delivery service*. We must meet their expectations — and to do so will require us to reach top-quartile performance in minimizing both the frequency and duration of outages. We have taken steps to detect and solve our customers' delivery problems on a town-by-town basis through use of our Greenboard process. Using our Greenboard, we assign "red" (significant issues), "yellow" (concerns being addressed) or "green" status (no unresolved issues) to every municipality and Chicago ward and attempt to resolve all outstanding issues. Our Reliability Milestones Ahead, many of which are new for 1999, focus heavily on enhancing and reinforcing both our transmission and distribution systems and responding to service interruptions.

CORPORATE MILESTONES AHEAD

We must improve our ranking on the Customer Satisfaction Index from 68 to 86 by 2001. *NEW FOR '99*

We must keep the lights and air conditioners on. We must avoid asking customers to implement voluntary load reductions during peak usage periods except when they are compensated for such actions. We must do everything possible to prevent firm service interruptions due to capacity limitations.

REVISED FROM '98

We must achieve top-quartile operating performance as measured by outage frequency (System Average Interruption Frequency Index, SAIFI) and minimize outage duration (Customer Average Interruption Duration Index, CAIDI) by 2001. *NEW FOR '99*

We must invest in our transmission and distribution systems to improve our ability to access and deliver power. *NEW FOR '99*

We must eliminate the "red" towns on our Greenboard. *NEW FOR '99*

Unicom Directions 1999

Nuclear Performance

OBJECTIVE 2. We will become a top-quartile operator of competitive nuclear plants by insisting that each plant produce power safely and economically.

The Nuclear Generation Group (NGG) has demonstrated a passionate commitment to attaining world-class performance. For the first time in nine years, all 10 of our nuclear units are off the Nuclear Regulatory Commission (NRC) "watch list." Today, our entire fleet falls under the "routine oversight" category. Despite the beginnings of a turnaround, we still have much work to do. We need all 10 of our nuclear units consistently available during this summer and beyond to meet customer demand and to bolster our credibility as a company that can deliver on its promises.

About \$9.5 billion of our original investment in these plants remains on our books. We will recover only a portion of it through the transition charges provided by the Illinois Restructuring Act, the funds from last December's securitization transaction and the proceeds from the pending fossil sale. We must run our plants safely and competitively to help recover our remaining investment and to provide opportunities for our workforce.

CORPORATE MILESTONES AHEAD

1. We must achieve top-quartile safety and operational performance as measured by the INPO index. *ORIGINAL FROM '98*
2. We must continue to build regulatory credibility with the NRC and maintain all of our plants in the NRC's newly defined category for safety performance — acceptable with routine baseline oversight. *REVISED FROM '98*
3. We must operate our nuclear plants safely at production costs below the average market price of electricity, or shut them down. *ORIGINAL FROM '98*

Unicom Directions 1999

Objective 3:

OBJECTIVE 3: We will consummate the sales agreement with Edison Mission Energy for the purchase of our fossil generating fleet by the end of 1999 while continuing to ensure availability.

We have rewritten this objective to reflect the pending sale of our fossil fleet to Edison Mission Energy, a subsidiary of Edison International. Upon approval by the Illinois Commerce Commission, after the summer of 1999, we will complete the sale and begin the official transition to Edison Mission Energy. After the sale and pursuant to a five-year agreement, we will have rights and options to purchase the 9,772 MW output from Edison Mission Energy. This arrangement will

ensure a reliable supply of power to those customers who choose to remain on traditional tariffs and limit our exposure to an increasingly volatile energy market. Should the onset of customer choice diminish our demand for power, the five-year agreement will provide the flexibility we need to adjust our purchase requirements.

CORPORATE MILESTONES AHEAD

We must complete the fossil sale transaction by the end of 1999. *REVISED FROM '98*

We must maintain over 80% equivalent availability during the summer of 1999 and develop a positive partnership with Edison Mission Energy to ensure availability in the future. *NEW FOR '99*

We must assist our employees' job transition through implementation of our agreement with International Brotherhood of Electrical Workers Local 15 and similar efforts for management. *NEW FOR '99*

Unicom Directions 1999

Financial Restructuring

OBJECTIVE 4: We will deliver competitive earnings while restructuring the balance sheet to reflect the realities of the marketplace and the duration of our transition charges.

The onset of competition and the sale of our fossil plants will have a substantial impact on Unicom's future financial performance. First, rate reductions, which started in 1998, and customer choice, which begins in October 1999, will reduce revenues. These reductions create potentially stranded investments and intensify the need to cut costs and improve operations in order to sustain earnings.

Second, when the sale of the fossil plants to Edison Mission Energy is finished, it will provide Unicom with a book gain and substantial cash. We can write down a portion of our nuclear-related assets, invest in our Distribution, Transmission and Nuclear business groups and pursue growth through mergers and acquisitions. We will continue to restructure our balance sheet and recover potentially stranded investments by improving performance, cutting costs, growing new businesses and collecting the competitive transition charge (CTC).

Substantial growth for Unicom will be attained through mergers or acquisitions. Our goal is to acquire companies in the energy delivery business. We must also grow our existing unregulated businesses through both the acquisition of energy-related businesses as well as the continued development of our existing businesses to provide a substantial earnings boost prior to the end of the CTC.

CORPORATE MILESTONES AHEAD

1. We must complete one or more acquisitions to further our goal of becoming a world-class operator of energy delivery systems. This acquisition must create value, enhance the competitiveness of our companies, provide additional value to our customers and establish a platform for future growth. *NEW FOR '99*
2. We must eliminate potentially stranded investments by the end of 2006, which is the end of the period for recovering transition charges under the Illinois Restructuring Act. *NEW FOR '99*
3. We must continue growth of our earnings per share to more than \$3.00 by 2000 while maintaining our dividend at \$1.60. *REVISED FROM '98*
4. We must decrease our O&M expenses by over \$200 million to reach \$1.850 billion by 2001. *REVISED FROM '98*
5. We must lower capital expenses by over \$100 million to \$790 million by 2001. *REVISED FROM '98*

Unicom Enterprises Group

Unicom Directions
1999

OBJECTIVE 3: We will market a diverse portfolio of products and services to become the Midwest's leading retail supplier of electricity, natural gas and energy services.

Unicom's unregulated enterprises group, Unicom Enterprises, Inc. (UEI), will deliver superior returns by providing a portfolio of energy products, services and new technologies to deliver energy solutions to business customers in the Midwest and select national and international markets. UEI's strategy has four key components:

1. **Geographic Focus:** We intend to capitalize on our regional strength in the Midwest.
2. **Customer Value Focus:** We will tailor energy solutions to our customers' unique needs.
3. **Market Focus:** We will target commercial and industrial customers.
4. **Product Focus:** We will maintain a balance of products between commodity and service-oriented products and capitalize on new, energy-related technologies.

To become Unicom Corporation's growth platform, UEI has established a foundation in four areas: energy services, distributed generation, commodity gas and electricity, and energy information management.

In the future, UEI will grow through acquisition. We plan to acquire companies with the management know-how and scale to capture market and industry attention. We will achieve maximum synergies through add-on acquisitions.

CORPORATE MILESTONES AHEAD

1. We must achieve over \$0.20 earnings per share by 2001. *NEW FOR '99*
2. We must achieve a return on equity of 15% based on after-tax cash flows. *NEW FOR '99*
3. We must achieve a return on investment of 8% based on after-tax cash flows. *NEW FOR '99*
4. We must manage risks in order to receive a payback period of less than 15 years on capital-intensive businesses and less than 10 years on all other businesses. *NEW FOR '99*
5. We must measure progress at key stage-gates through 2001, to aid in making hold / divest decisions. *NEW FOR '99*

Culture Change

Unicom Directions
1999

OBJECTIVE 6: We will transform the culture of the Unicom Companies to achieve continuous performance improvement, increased accountability, superior customer focus and greater diversity.

As we move into a more dynamic competitive environment, we must place more emphasis on the business agenda, including winning the customers' loyalty, improving efficiency and increasing shareholder value. To succeed in tomorrow's marketplace, we must work every day to make our business more successful by living up to the high standards found in Unicom Values.

The values listed in this objective are only four of our eight Unicom Values — accountability, teamwork, customer focus, integrity, trust, diversity, leading change and continuous performance improvement. The Unicom Values focus on how we must work together to achieve the level of

results that customers expect and the competitive marketplace requires. They indicate the type of environment in which Unicom employees want to work — where employees conduct themselves with integrity, trust their co-workers, embrace diversity and lead change. To ensure that Unicom is making progress and living by these values, management will continue to strive for change by upholding the values in their own jobs, by holding our employees accountable, and by monitoring our progress through the Speak-Up! Employee Survey.

CORPORATE MILESTONES AHEAD

1. We must foster accountability by rewarding employees based on bottom-line results and by placing greater emphasis on the pay-for-performance or pay-at-risk component of our compensation system. *NEW FOR '98*
2. We must continue our progress toward attaining benchmarked, top-quartile performance goals by providing employees with the information and tools they need to drive inefficiencies out of our systems. *REVISED FROM '98*
3. We must secure the commitment of all employees in driving top-quartile performance and ensuring success in the competitive marketplace. *REVISED FROM '98*
4. We must increase our efforts to recruit and retain qualified minorities and women at senior levels in the company. *REVISED FROM '98*
5. We must build credibility by honoring commitments internally and externally and developing an exemplary record of compliance with the open access, code of conduct, reliability and affiliate transaction rules established by the FERC and the Illinois Commerce Commission. *ORIGINAL FROM '98*
5. We must experiment with new methods of reducing the environmental burdens of the electricity business, particularly those methods that enhance the efficient use of electricity. *ORIGINAL FROM '98*

The Distribution Group

Business Goals

We will become one of the nation's most effective operators of regulated energy delivery systems by developing a standard of service that earns the loyalty of customers and the respect of regulators, while producing a return on investment that gains the confidence of shareholders. We will improve the reliability of our system and increase responsiveness to customers through improved maintenance, more rapid storm response and the innovative use of distributed resources and electrical and information technologies. Ultimately, the Distribution Group will include the Energy Services and Customer Services organizations in order to provide top-quartile service to our distribution customers. This new Distribution Group will focus on keeping the energy flowing, anticipating customer needs and providing cost-effective delivery services.

Realizing our vision depends on:

- >> improving reliability by automating, upgrading and reinforcing the distribution system, targeting improvements for customers experiencing excessive outages and accelerating our tree-trimming program;
- >> providing premier customer service and improving perceptions of our ability to serve our customers;
- >> reducing and managing costs of operating our energy delivery systems, while enhancing reliability and customer service.

THE DISTRIBUTION GROUP > MILESTONES AHEAD

We must achieve the following milestones over the next three years.

Strategic Objective	Milestones	Actual			Goals		First Quartile
		1997	1998	1999	2000	2001	
Improving Reliability	Frequency of outages (SAIFI)	1.08	2.21	1.13	1.02	0.83	0.91
	Outage duration in minutes (CAIDI)	178	273	141	116	100	66
Customer Service	Distribution-specific residential customer satisfaction index (Core Relationship Attributes)	76	65	90	95	97	87

1. The 1998 CAIDI value includes the performance of 1998 based on improvements from curtailment programs.

1. We must automate our 34kV line system by the end of 2001. *NEW FOR '99*
2. We must complete the installation of supervisory control and data acquisition (SCADA) technology at all 741 ComEd substations by 2001. *NEW FOR '99*
3. We must attain a four-year tree trimming cycle by 2001. *NEW FOR '99*
4. We must improve our ability to respond to customers' questions regarding service interruptions and power quality. *ORIGINAL FROM '98*
5. We must increase participation in curtailment rates to 895 MW by the end of 1999 and establish additional programs that provide customers with incentives to reduce load during peak periods. *REVISED FROM '98*

The Transmission Group

Business Goals

The Transmission Group may ultimately serve much of the Midwest and must lead the industry in solving the problems of open access, congestion and bulk power supply. As one of the founding members of the Midwest Independent System Operator (MISO), we have taken a significant step in leading the industry. However, we continue to explore the development of an Independent Transmission Company (ITC) that works with the MISO. An ITC would combine ownership with operation of wires but would be separate from large-scale generation. In order to develop an ITC, we must create a rate plan that is acceptable to the FERC and will provide competitive returns on our transmission assets. Whatever the ultimate vehicle, we must create mechanisms to reduce transmission constraints, improve reliability and economically manage congestion.

Realizing our vision depends on:

- >> improving reliability to assure a strong transmission system;
- >> minimizing loss of revenue-generating transactions on our system;
- >> enhancing customer satisfaction;
- >> reducing and managing the costs of delivering electricity.

THE TRANSMISSION GROUP - MILESTONES AHEAD

We must achieve the following milestones over the next three years.

Strategic Objective	Milestones	Actual 1998	1999	Goal 2000	2001	Next Quarter
Reliability	System Average Transmission Line Availability Index	99.97	99.980	99.990	99.998	99.99
Asset Utilization	Transmission weighted average % system utilization			Emerging Measure		
Customer Values	Transmission service request acceptance index			Emerging Measure		
Market Opportunity	Loss of potential Transmission revenue due to rejected service requests (\$M)			Emerging Measure		

1. We must complete the program of replacing targeted overhead and underground transmission lines by 2001. *NEW FOR '99*
2. We must reduce the number of TLRs (Transmission Loading Relief) that disrupt wholesale transactions. *NEW FOR '99*
3. Before the end of the summer of 1999, we must connect a minimum of 850 MW of new generation from Independent Power Producers (IPP). *REVISED FROM '98*
4. We must implement the Midwest Independent System Operator, which will enhance reliability by providing control of transmission operations across the Midwest region. *REVISED FROM '98*
5. We must complete installation of the Lockport-Lombard-Plano 345kv transmission line to improve power transfer capability within the ComEd system. *ORIGINAL FROM '98*
6. We must actively and aggressively explore opportunities with third parties to develop a Midwest (preferably Chicago-based) real-time cash electricity exchange. *ORIGINAL FROM '98*

The Nuclear Generation Group

Business Goals

We will become the leading nuclear business by safely operating top-quartile, economically competitive plants. We have made tangible progress over the last year: capacity factors vastly improved, all 10 nuclear units are available for the summer of 1999 and all plants have been removed from the "watch list" and are under routine oversight by the NRC. However, much work remains to reach top-quartile performance by 2001. In addition, these improvements must be sustained in order to establish credibility with regulators, investors and customers.

Realizing our vision depends on:

- >> achieving operational excellence by improving performance in all safety and operational facets of nuclear plant operations;
- >> increasing production by attaining high capacity factors and reliable production through improved material condition, sound operating practices, effective and short outage execution, and improved human performance;
- >> reducing and managing operating costs through process improvement, economies of scale, rigorous financial management and control of capital spending to ensure a competitive asset base to support a market-competitive cost of power.
- >> Improving workforce effectiveness through focused training, open communication, increased productivity and engagement of employees;
- >> managing assets through sound investments in existing assets in order to maximize generation.

THE NUCLEAR GENERATION GROUP - MILESTONES AHEAD

We must achieve the following milestones over the next three years.

Strategic Objective	Actual performance Indicator	Actual 1998	1999	Goals 2000	2001	Target
Operational Excellence	INPO Performance Index	81	81	88	91*	93
Production	Capacity factor	66%	74%	81%	86%*	91%

*1999 and 2001 goals are based on the performance in 2001 of the top quartile of the industry.

1. We must continue to demonstrate consistent improvement in the operations and material condition of our plants and continue to increase regulatory credibility with the NRC. *NEW FOR '99*
2. We must achieve capacity factors at each of our 10 nuclear units of 80% or greater by 2001. *ORIGINAL FROM '98*
3. We must increase generation capacity through power uprates and thermal performance improvement. *NEW FOR '99*
4. We must extend productive life of plants through long-term material condition improvement and, if economically justified, license renewal. *NEW FOR '99*

The Unicom Enterprises Group

Business Goals

To be successful in the competitive market, Unicom's unregulated enterprises group, Unicom Enterprises, Inc. (UEI), will focus on capturing a greater share of customers' energy dollars through a portfolio of energy products, services and new technologies targeted to commercial and industrial customers. To become a growth platform for Unicom Corporation, UEI has established a foundation in four areas: distributed generation, energy information management, commodity gas and electricity and energy services.

We will nurture and develop a competitive and action-oriented business culture by:

- >> focusing on the Midwest market for energy services, distributed generation, commodity gas and electricity and energy information management;
- >> targeting commercial and industrial customers;
- >> maintaining a balance between commodity and service-oriented products.
- >> leveraging our portfolio of energy and energy-related products to provide customers with solutions tailored to their unique needs;

WHAT IS UNICOM ENTERPRISES?

MARKET SEGMENT	BUSINESSES
Distributed Generation	Distributed Energy capitalizes on its strategic alliance with AlliedSignal to market, install and finance its Parallon 75™ microturbine system throughout the 12-state Midwest region as well as Ontario and Puerto Rico.
Energy Information Management	Active Energy Management offers a suite of consultative products and services aimed at giving customers information about and control over their energy usage. This suite includes eQuator™, an energy information technology delivered via the Internet.
Commodity Gas and Electricity	Unicom Energy markets and delivers gas and electricity (when market opens) to commercial and industrial customers.
Energy Services Existing	Unicom Energy Solutions provides customers turnkey energy and operational solutions that improve their facility assets while reducing energy and operating costs. Unicom Thermal operates district cooling in Chicago, with projects under development in Boston, Houston, Las Vegas and Windsor, Ontario.
Energy Services Proposed	Unicom Power Holdings will develop, sell and operate industrial-based merchant cogeneration projects. Mechanical Services will provide design, build and service capabilities for commercial and industrial customers' heating, cooling, ventilation and industrial process needs.

The Unicom Enterprises Group

Business Goals

THE UNICOM ENTERPRISES GROUP > MILESTONES AHEAD

We must achieve the following milestones over the next three years.

Milestone	1999	Goals 2000	2001
Earnings per share	\$0.04	\$0.09	\$0.20

1. We must selectively acquire businesses in energy services, especially mechanical service companies, following the strategy in our 2000 and 2001 business plan. *NEW IN '99*
2. We must successfully launch eQuarter, Unicom's web-based energy information product, this year and develop versions while investigating other technologies. *NEW IN '99*
3. We must complete our beta program and successfully launch the commercial sales and distribution of the AlliedSignal Parallon 75™ microturbine and other distributed generation products by the end of 1999. *NEW IN '99*
4. We must selectively grow our Unicom Thermal ice storage capacity in Chicago and nationally. *NEW IN '99*
5. We must pursue profitable cogeneration projects in the Midwest, which align Unicom with high-quality industrial hosts. *NEW IN '99*

Unicom Directions 1998

Milestones Achieved

OBJECTIVE 1 — RELIABILITY

We will provide a reliable supply of electricity as the competitive marketplace evolves and improve the efficiency, dependability and quality of our delivery service.

- ✓ Budgeted additional \$307 million for T&D capital improvements.
- ✓ Achieved 100% Y2k readiness by June 30.
- ✓ Reached settlement of franchise agreement with City of Chicago.
- ✓ Increased participation in curtailment rates by 100 megawatts.
- ✓ Gained FERC approval of the Midwest ISO.

OBJECTIVE 2 — NUCLEAR OPERATIONS

We will become a top-quartile operator of competitive nuclear plants by insisting that each plant produce power safely and economically.

- ✓ Removed Dresden and LaSalle from NRC watch list.
- ✓ Returned LaSalle 1 and 2, Quad Cities 1 and 2 to service.
- ✓ Increased production output by 16% while reducing production costs by 18%.
- ✓ Set world record for Braidwood steam generator replacement outage.
- ✓ Set refueling outage records for Byron, Quad Cities and Dresden.

OBJECTIVE 3 — FOSSIL SALE

We will refocus ComEd's generation business by offering to sell a substantial portion of our fossil generation with safeguards to assure continued availability.

- ✓ Reached sale agreement with Edison Mission Energy.
- ✓ Established transition period incentive plans.
- ✓ Arranged post-sale power purchase agreements.
- ✓ Developed severance and early retirement plans for employees not continuing employment with Edison Mission Energy.

OBJECTIVE 4 — FINANCIAL RESTRUCTURING

We will deliver competitive earnings while restructuring the balance sheet to reflect the realities of the marketplace and the duration of our transition charges.

- ✓ Reduced O&M costs by \$200 million.
- ✓ Issued \$3.4 billion in asset-backed securities.
- ✓ Incorporated Shareholder Value Added goals into all business units' performance reports and compensation plans.

*per 2000 readiness disclosure statement.

Milestones Achieved

Unicom Directions 1998

OBJECTIVE 5 — COMPETITIVE OPERATIONS

We will market a diverse portfolio of product and services to become the Midwest's leading retail supplier of electricity, natural gas and energy services.

- ✓ Restructured into three customer units: residential, mid-market and large commercial & industrial.
- ✓ Began operations for UT Holdings' Northwind Windsor plant.
- ✓ Installed first-ever commercial TurboGenerator Power System.
- ✓ Doubled Unicom Energy Solutions' Illinois business and opened offices throughout the Midwest.
- ✓ Signed 1,000 commercial & industrial customers in Unicom Gas Services' first year of operation.

OBJECTIVE 6 — CULTURE

We will transform the culture of Unicom Companies to achieve higher performance, increased accountability, superior customer focus and greater diversity.

- ✓ Corporate officers' equity holdings subject to formal stock ownership guidelines.
- ✓ ComEd, IBEW Local 15 agreed on 1999-2001 bargaining unit incentive plan.
- ✓ Established incentive plan for senior managers that is significantly influenced by customer satisfaction.

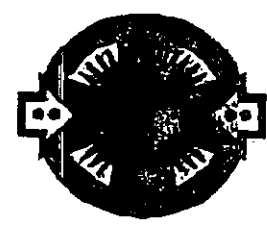
PLEASE NOTE: Except for historical information, the information in this document constitutes forward-looking statements. Forward-looking statements are inherently uncertain, subject to risks and should be viewed with caution. Actual results or operations could differ materially from the forward-looking statements found in this document as a result of many factors. Please refer to the Company's Periodic Reports on Form 8-K filed July 1, 1998 for a discussion of factors that could affect the actual results or experience.

Unicom Values

Embracing Unicom Values will be the key to our long-term success in a future filled with aggressive competition. We must remain true to these values in order to overcome the challenges that we will confront on a daily basis.

CUSTOMER FOCUS

- >> Keeps commitments to customers (no matter who made them).
- >> Builds trust and a spirit of teamwork with customers.
- >> Understands and values customer needs.
- >> Is flexible, innovative and satisfies the customer.



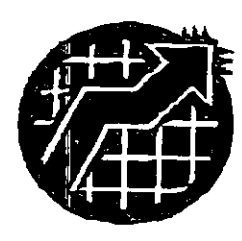
LEADING CHANGE

- >> Is flexible and promotes an environment that is open to new ideas and different ways of doing things.
- >> Has the courage and willingness to re-think existing ideas and create new opportunities.
- >> Has a "can do" attitude and a "sense of urgency."



CONTINUOUS PERFORMANCE IMPROVEMENT

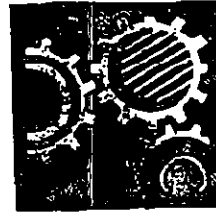
- >> Is better than yesterday, better than others.
- >> Does it right the first time.
- >> Uses clear goals and measures to improve performance.
- >> Recognizes and rewards performance that gets the desired results.
- >> Learns from the experience of other companies.
- >> Learns more about our company's business and how it operates.



Unicom Values

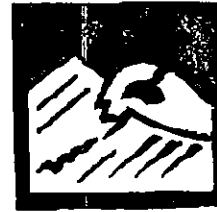
TEAMWORK

- >> Acts for the benefit of the company regardless of business unit or self interest.
- >> Recognizes that all business units are part of the same team.



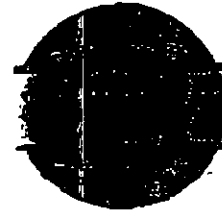
ACCOUNTABILITY

- >> Accepts responsibility for decisions and results.
- >> Encourages prudent risk taking and sees mistakes as learning opportunities.



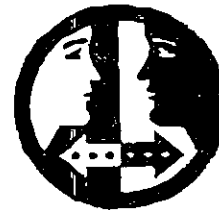
DIVERSITY

- >> Values and respects the widest array of diverse ideas and individuals consistent with our ethical standards and performance requirements.
- >> Assesses performance in a fair, unbiased and culturally sensitive manner.
- >> Provides equal opportunity for advancement.



TRUST

- >> Communicates and interacts in an open, direct and positive manner.
- >> Listens openly and seeks to understand the ideas and feedback of others.
- >> Promotes and respects the value of diverse thoughts, ideas and individuals.



INTEGRITY

- >> Demonstrates the highest professional and ethical standards.
- >> Follows through on commitments and promises.
- >> Shows consistency between words and actions.
- >> Treats others with respect and dignity.



Certificate of Service

A-110550F0147

I hereby certify that I have this day served the foregoing document on the following in the matter of PECO Energy Company's 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.

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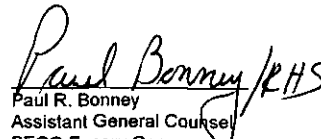
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(215) 841-4252

Dated: March 3, 2000

ORIGINAL

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March 3, 2000

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 City of Philadelphia 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 City of Philadelphia

CMB/lac
Enclosures

c: Administrative Law Judge Charles E. Rainey, Jr. (via facsimile & first class mail)
Certificate of Service

104

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
MAR 7 2000

LATE-FILED PETITION TO INTERVENE OF
THE CITY OF PHILADELPHIA

TO THE HONORABLE, THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

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

1. Petitioner is the City of Philadelphia.
2. The names and address of the City'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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SECRETARY'S BUREAU

3. 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.

4. The City has an interest in this merger proceeding that is not represented by any other parties. The City receives service from PECO under a broad number of rate schedules, and is concerned with the impact the merger will have upon these rates, as well as the continued interpretation of the City's contracts with PECO. The level of the City's street lighting rates have been a source of concern for many years despite the City's overall status as PECO's largest revenue customer. As a result of these services, the City is also concerned with the effect the merger will have on PECO's system reliability. In addition, PECO's corporate headquarters are located in Philadelphia, and PECO employs a large number of Philadelphians. Therefore, the City is concerned with the merger's effect on employee retention, and the resulting effect on the economy.

5. The City acknowledges that the Pennsylvania Bulletin established December 20, 1999, as the date fixed for filing protests in this proceeding. In this case, the City only recently received approval regarding the intervention, and thus, was unable to file a Petition to Intervene in this proceeding by the aforementioned deadline. 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. As stated previously, the City has several significant interests in this merger proceeding, which are not represented by any other parties. Additionally, the City agrees to abide by previous Commission Orders already issued in this proceeding, and will not challenge any procedural decision made in this case prior to the City's intervention. Moreover, the City's Petition to Intervene will not result in an unfair prejudice to any party in this proceeding. For these reasons, the City 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 City of Philadelphia respectfully requests that the Commission grant this Petition to Intervene and provide the City with full party status.

Respectfully submitted,

McNEES, WALLACE & NURICK

By Charis M. Burak
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Counsel to the City of Philadelphia

Dated: March 3, 2000

CERTIFICATE OF SERVICE

ORIGINAL

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).

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CERTIFICATE OF SERVICE

March 3, 2000

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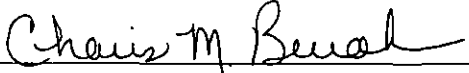
March 3, 2000

Page 3

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Charis M. Burak

Dated this 3rd of March, 2000, in Harrisburg, Pennsylvania.



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RE: 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

200698

Dear Mr. Downey:

Enclosed, please find PECO's CONFIDENTIAL response to AMTRAK-I-D-10.

Very truly yours,

Paul Bonney /rhs
Paul R. Bonney
Assistant General Counsel

/rhs

Enclosure

cc: James J. McNulty, Secretary (cover letter & certificate of service only)
Certificate of Service

RECEIVED
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00 MAR 10 AM 8:47

DOCUMENT
FOLDER

Certificate of Service

I hereby certify that I have this day served the foregoing document on the following in the matter of PECO Energy Company's 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.

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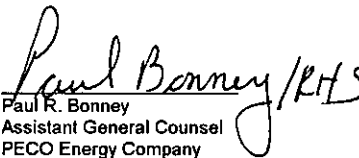
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Dated: March 3, 2000


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Assistant General Counsel
PECO Energy Company
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(215) 841-4252

DATE: March 6, 2000
SUBJECT: A-110550F0147
TO: Office of Administrative Law Judge
FROM: James J. McNulty, Secretary

**DOCUMENT
FOLDER**

DOCKETED
MAR 7 2000

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 City of Philadelphia, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS
LAW

EEF

laf

HANGLEY ARONCHICK SEGAL & PUDLIN

ATTORNEYS AT LAW • A PROFESSIONAL CORPORATION

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ORIGINAL

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March 6, 2000

RECEIVED

MAR 6 2000

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA FEDERAL EXPRESS

Secretary James McNulty
Pennsylvania Public Utility Commission
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Harrisburg, PA 17105-3265

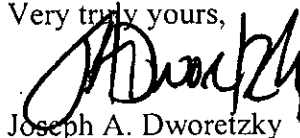
Re: **Application of PECO Energy for Issuance of a Qualified Rate
Order Under Section 2812 of the Public Utility Code**

Docket No. ~~R-00005030~~ A-110550 F0147

Dear Secretary McNulty:

Enclosed for filing are the original and four copies of Mid-Atlantic Power Supply Association's Third Motion to Compel Responses to Discovery Requests in the above-captioned proceeding. Please date-stamp one of the copies and return it to me in the enclosed, self-addressed, stamped envelope. Thank you.

Very truly yours,


Joseph A. Dworetzky

81

JAD/tg
Enclosures

cc: certificate of service (method as indicated)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

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

ORDER

AND NOW, this ____ day of _____, 2000, upon consideration of Mid-Atlantic Power Supply Association's Third Motion to Compel Responses to Interrogatories, it is hereby ORDERED that said Motion is GRANTED.

Applicant PECO Energy Company is hereby directed to produce (1) the filing it made with U.S. Department of Justice and the Federal Trade Commission pursuant to the Hart-Scott-Rodino Anti-Trust Improvements Act, 15 U.S.C. § 18; (2) any filings it makes or has made with the Internal Revenue Service in connection with the proposed restructuring and merger; and (3) the working papers of its expert on the competitive effects of the merger and restructuring, William H. Hieronymus, within five (5) days.

RECEIVED

MAR 6 2000

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Charles E. Rainey, Jr.
Administrative Law Judge

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED
ORIGINAL
MAR 6 2000

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 :

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Application Docket No. A-110550F0147

DOCKETED

MAR 09 2000

**MID-ATLANTIC POWER SUPPLY ASSOCIATION'S THIRD MOTION
TO COMPEL RESPONSES TO DISCOVERY REQUESTS**

Protestant/Intervenor Mid-Atlantic Power Supply Association ("MAPSA") hereby moves the Commission for an Order compelling Applicant PECO Energy Company ("PECO") to produce (1) the filing it made with U.S. Department of Justice and the Federal Trade Commission pursuant to the Hart-Scott-Rodino Anti-Trust Improvements Act, 15 U.S.C. § 18; (2) any filings it makes or has made with the Internal Revenue Service in connection with the proposed restructuring and merger; and (3) the working papers of PECO's expert on the competitive effects of the merger and restructuring, William H. Hieronymus. In support of its Motion, MAPSA states as follows:

1. PECO filed its Application on November 22, 1999, seeking approval from the Public Utility Commission under the Public Utilities Code for a restructuring of PECO and a merger with Unicom Corporation.

2. On December 20, 1999, MAPSA filed its Protest and Petition to Intervene in this proceeding. At the Prehearing Conference held on January 20, 2000, MAPSA was granted authority to participate as an active party in this proceeding.

3. In its First Set of Interrogatories and Requests for Production of Documents served upon PECO on January 6, 2000, MAPSA requested documents relating to proceedings before other

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agencies or governmental entities, including filings, relating to the proposed restructuring and merger. These requests were set forth, inter alia, in Interrogatory 33 and Document Requests 26 and 28. Document Request 28 in particular sought any "proprietary information" produced in any such proceeding. PECO responded by producing some of the information requested, but refused to produce other information on the ground that it is "Highly Confidential and Proprietary." True and correct copies of the discovery requests and responses are attached hereto as Exhibits A, B and C. respectively.

4. In particular, PECO stated that it would not produce: (a) its Hart-Scott-Rodino filing with the U.S. Department of Justice and Federal Trade Commission; and (b) any IRS filings that it might make relating to the restructuring. PECO asserted that these documents are "Highly Confidential and Proprietary due to the highly competitively sensitive nature of the information provided in these forums and the need for the pertinent agency to maintain confidentiality over the information during the pendency of the investigation." PECO's Response to MAPSA-I-D28; see also PECO's Response to MAPSA-I-D26 (Documents "will not be disclosed due to the irreparable harm and legal issues that would ensue as a result of such disclosure.")¹

5. In addition, PECO stated that it would not produce the working papers of William H. Hieronymus PECO's expert on the competitive effects of the merger and restructuring, which it has filed with FERC. See PECO's Response to MAPSA-I-D28. PECO has stated that it will not produce these workpapers "due to the competitively sensitive nature of the information contained"

¹PECO also asserted similar claims with respect to its SEC Form S-4 Advance Proxy Statement, but MAPSA will not seek to compel production of this document, as PECO will make it public shortly in anticipation of its upcoming shareholder meeting, which is the subject of the Form S-4.

therein. See id.

6. These materials represent PECO's own analysis of the competitive effects of the proposed merger and restructuring. MAPSA seeks them in order to be able to effectively analyze and litigate before the Commission the effect of the proposed restructuring and merger on market power in the retail electricity market.

7. As confirmed by letters dated February 17, 2000 and February 28, 2000, PECO has granted MAPSA extensions to permit MAPSA to file its Motion to Compel with respect to the matters set forth herein on March 6, 2000. True and correct copies of the confirming letters are attached hereto as Exhibits D and E, respectively.

8. PECO's claim that it does not have to produce the requested information and documents on the grounds that they are confidential and proprietary is baseless.

9. The PUC's Rules of Procedure provide explicit, clear and detailed rules concerning the disclosure of allegedly confidential information in discovery. The Rules provide two levels of protection for confidential or proprietary information, which are available by means of a protective order. See 52 Pa. Code § 5.423.

10. The first level involves limiting disclosure of the information only to participants' counsel and outside experts, as opposed to the participants themselves. Such protection is available only if the participant from whom discovery is sought "demonstrates that the potential harm to the participant of providing the information will be substantial and that the harm to the participant if the information is disclosed without restriction outweighs the public's interest in free and open access to the administrative hearing process." 52 Pa. Code § 5.423(a). The Rules also identify certain factors relevant in determining the propriety of such protection. See 52 Pa. Code § 5.423(a)(1)-(5).

11. The second level of protection involves a total prohibition on disclosure, and is available only in "extraordinary circumstances." See 52 Pa. Code § 5.423(d). In order to prevent disclosure completely, the participant from whom discovery is sought must establish that a total prohibition is "necessary to avoid severe and extreme prejudice." 52 Pa. Code § 5.423(d).

12. PECO has not sought any of the protections specifically identified in the PUC's Rules as available for the information it wishes to remain confidential. It has not sought a protective order, and has made no effort to show that it will suffer harm as a result of disclosure, or that such harm outweighs the public interest in free and open access to administrative proceedings. Rather, PECO has simply made naked, unsupported assertions concerning the allegedly harmful effects of disclosure. PECO's mere suggestions are insufficient to prove that it will suffer substantial harm. Furthermore, PECO has made absolutely no effort to balance its supposed harm against the public interest in disclosure or even to discuss the relevance of the public interest. PECO has not met, and indeed has made no effort to meet, its burden of establishing that it is entitled to the protections set forth in section 5.423.

13. At all events, and without conceding that any protection available under section 5.423 is necessary or appropriate, PECO cannot demonstrate that it is entitled to a total prohibition on disclosure under section 5.423(d). This section, as noted above, permits a total prohibition on disclosure only where the participant seeking to prevent disclosure shows that "extraordinary circumstances" exist and that such a prohibition is "necessary to avoid severe and extreme prejudice." PECO can assert no basis for withholding the information that would come close to "severe and extreme prejudice."

14. A Confidentiality Agreement has already been entered into between the parties to this

case, which prohibits public disclosure and misuse of information identified as confidential. A true and correct copy of the Confidentiality Agreement signed by MAPSA's counsel and PECO is attached hereto as Exhibit F. To the extent PECO is concerned about simple public disclosure of the information contained in the Hart-Scott-Rodino² and IRS filings, as well as Dr. Hieronymus's working papers, the Confidentiality Agreement should provide sufficient protection for PECO.

15. PECO's concern that disclosure of this "highly confidential and proprietary" information might put it at a competitive disadvantage is also not a basis for completely withholding the requested information. Section 5.423, discussed above, is specifically designed to deal with this problem, and PECO has not taken advantage of it. Even to the extent that limiting disclosure to counsel and outside experts would be appropriate under section 5.423(c) to limit such a claimed competitive harm, this limitation on disclosure is clearly sufficient to address PECO's concern. Section 5.423(c) was intended by the PUC to be, and is, sufficient to prevent any use of the assertedly confidential and proprietary information to the commercial advantage of PECO's competitors.

16. Any concern about protecting the confidentiality of the filing during the pendency of the investigation by either agency considering PECO's Hart-Scott-Rodino is now moot, as the time period for those agencies to consider the filings has expired and their jurisdiction has lapsed. See PECO's Response to Amtrak-I-15 (Hart-Scott-Rodino filing made on January 31, 2000); 15

²Of course, the Hart-Scott-Rodino Antitrust Improvements Act itself requires that information filed pursuant to it be held confidential. See 15 U.S.C. § 18a(h). But this section is clearly meant to limit only disclosure by the federal officials with whom the filing has been made, as it exempts the filing from disclosure under the Freedom of Information Act. To the extent it provides broader limitations on disclosure, however, it specifically exempts disclosures that are "relevant to any administrative or judicial action or proceeding." Id.

U.S.C. § 18a(b)(1) (merger may not be completed until thirty days after filing of Hart-Scott-Rodino materials).

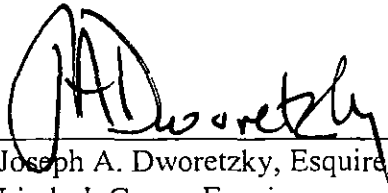
17. In contrast to PECO's minimal and unsupported claims of competitive harm, there is a strong public interest and need for production of the documents sought herein. These documents set forth, in a way not adequately described in PECO's other papers, PECO's analysis of the market power effects of the proposed merger, a critical issue in this proceeding. Without access to these documents, MAPSA and the other intervenors will not be able to analyze and respond to PECO's contention that the proposed merger will have no effect on market power.

18. Accordingly, PECO has not demonstrated that any limitation on disclosure is justified under section 5.423, and should be directed to produce the documents sought herein forthwith.

WHEREFORE, MAPSA respectfully requests that the Commission enter an Order in the form attached hereto requiring PECO to produce (1) the filing it made with U.S. Department of Justice and the Federal Trade Commission pursuant to the Hart-Scott-Rodino Anti-Trust Improvements Act, 15 U.S.C. § 18; (2) any filings it makes or has made with the Internal Revenue

Service in connection with the proposed restructuring and merger; and (3) the working papers of PECO's expert on the competitive effects of the merger and restructuring, William H. Hieronymus within five (5) days.

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By:  _____

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Attorneys for Mid-Atlantic Power Supply Association

Dated: March 6, 2000

**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
Merger of the Newly Formed Holding : No. A-110550F0147
Company and Unicom Corporation :

CERTIFICATE OF SERVICE

I hereby certify that on March 6, 2000 I served a true and correct copy of the foregoing Protestant/Intervenor Mid-Atlantic Power Supply Association's Third Motion to Compel Responses to Discovery Requests on the following active participants and parties of record by first-class mail, postage prepaid (hand delivery to the Applicant):

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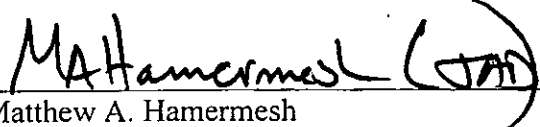
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2301 Market Street
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Matthew A. Hamermesh

MAPSA-I -33 Question:

Identify any proceeding relating to the proposed restructuring and merger pending, formerly pending, or to become pending before any court or any other governmental agency, board, commission or committee, whether federal, state or local, including without limitation, the Securities and Exchange Commission, the Federal Energy Regulatory Commission, the Nuclear Regulatory Commission, the Illinois Commerce Commission and the Internal Revenue Service. In particular, identify:

- (a) The court of body before whom the proceeding is pending;
- (b) The date on which the proceeding was commenced;
- (c) Any docket number or numbers assigned to the proceeding;
- (d) The date, if any, on which the proceeding was terminated;
- (e) All parties or other participants in the proceeding;
- (f) The dates on which any hearings in the proceedings have occurred or will occur;
- (g) The nature and scope of the proceeding;
- (h) The reason for the termination of the proceeding; and

The nature of any judgments or other orders resulting from the proceeding.

MAPSA-I -33 Answer:

Filings have been made before the PAPUC (Docket No. A-110550F0147) and FERC (Dockets Nos. EC00-26, EC00-38, ER00 803 and EL00-26). MAPSA is a party to these proceedings and therefore already has those documents in its possession.

A filing was made with the NRC on December 20, 1999. (A copy is provided in response to MAPSA-I-D-26).

A PUHCA filing with the SEC is expected to be made shortly.

A Highly Confidential and Proprietary preliminary proxy statement filing has been made with the SEC and will not be provided.

The Highly Confidential and Proprietary Hart-Scott-Rodino filing has been made with the DOJ and FTC and will not be provided.

No IRS filing has been made, but one may be made in connection with the PECO Restructuring. PECO considers that filing to be Highly Confidential and Proprietary and therefore, when made, will not be provided.

A filing with the Illinois ICC related to the merger was made on November 22, 1999. That proceeding terminated by statute on December 22, 1999. (A copy of that filing is attached in response to MAPSA-I-D-26).

MAPSA-I-D-26 Request:

All documents relating to the proposed restructuring and merger that have been filed by either PECO or Unicom in any court or any governmental agency, board, commission or committee, whether federal, state or local, including, without limitation, the Securities and Exchange Commission, the Federal Energy Regulatory Commission, the Nuclear Regulatory Commission, the Illinois Commerce Commission and the Internal Revenue Service.

MAPSA-I-D-26 Answer:

See Attachment MAPSA-I-D-26, which is a copy of (1) the NRC Application, (2) ICC Filing and (3) 8-K's filed with the SEC.

A Highly Confidential and Proprietary Advance Proxy Statement (Form S-4) has been made but will not be disclosed due to the irreparable harm and legal issues that would ensue as a result of such disclosure.

A Highly Confidential and Proprietary Hart-Scott-Rodino filing has been made but will not be disclosed due to the irreparable harm and legal issues that would ensue as a result of such disclosure.

The attachment is provided to MAPSA. They are voluminous and will be provided to other parties upon request.

Responsible Witness: Thomas P. Hill, Jr./ Robert K. McDonald

MAPSA-I-D-28 Request:

All documents that relate to proprietary information that have been produced in any proceeding relating to the proposed restructuring and merger before any court of any other governmental agency, board, commission or committee, whether federal, state or local, Regulatory Commission, the Nuclear Regulatory Commission, the Illinois Commerce Commission and the Internal Revenue Service.

MAPSA-I-D-28 Answer:

Documents that have been identified as "Confidential" in this proceeding have been designated as such by the Company in response to the appropriate discovery request and will not be provided to any party except upon execution of the Confidentiality Agreement distributed at the Prehearing Conference on January 20, 2000. Documents that have been identified as "Confidential" at the FERC include the workpapers filed in support of the testimony of William H. Hieronymus. Those workpapers contain "Highly Confidential and Proprietary" information which will not be provided to any party due to the competitively sensitive nature of the information contained in those workpapers

Documents that have been identified as Highly Confidential and Proprietary have been designated such by the Company in response to requests for documents served by parties in this proceeding. These documents will not be provided to any party.

Generally, PECO considers all documents filed in connection with the SEC Advance Shareholder's Proxy Statement (S-4), the Department of Justice H-S-R review, and IRS Private Letter Ruling requests to be Highly Confidential and Proprietary due to the highly competitively sensitive nature of the information provided in those forums and the need for the pertinent agency to maintain confidentiality over the information during the pendency of the investigation. Other information considered Highly Confidential and Proprietary is identified as such in response to the pertinent discovery request.

Responsible Witness: Thomas P. Hill, Jr.

HANGLEY ARONCHICK SEGAL & PUDLIN

ATTORNEYS AT LAW • A PROFESSIONAL CORPORATION

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E-mail Address:

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February 17, 2000

JOYCE COLLIER BRONG
Of Counsel

VIA TELECOPIER AND FIRST CLASS MAIL

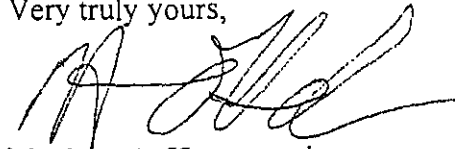
Ward L. Smith, Esquire
PECO Energy Company
2301 Market Sreet
P.O. Box 8699
Philadelphia, PA 19101-8699

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

Dear Ward:

This letter is to confirm our conversation of today, in which you agreed to extend until Monday, February 28, 2000, the time for MAPSA to file a Motion to Compel with respect to PECO's Response to Document Request MAPSA-I-D26. Thank you for your consideration.

Very truly yours,



Matthew A. Hamermesh

MAH/tg

HANGLEY ARONCHICK SEGAL & PUDLIN

ATTORNEYS AT LAW • A PROFESSIONAL CORPORATION

WILLIAM T. HANGLEY
MARK A. ARONCHICK
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February 28, 2000

VIA TELECOPIER AND FIRST CLASS MAIL

Kent D. Murphy, Esquire
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

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

Dear Kent:

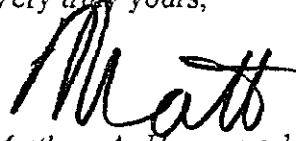
This letter is to confirm our conversation of today, in which you agreed to an additional extension, until Monday, March 6, 2000, of time for MAPSA to file a Motion to Compel with respect to PECO's response to Document Request MAPSA-I-D26.

In addition, we look forward to receiving PECO's revised responses to the interrogatories which were the subject of MAPSA's first Motion to Compel. In particular, as we discussed previously, we agreed to limit the scope of Interrogatories MAPSA-I-12 and MAPSA-I-13 to documents relating to investment bankers and financial advisers. You also agreed to provide revised answers to Interrogatories MAPSA-I-116, -I23, -I27 and -I28, reflecting that the merger and restructuring include no "steps, measures, covenants, contracts, clauses, agreements [or] other provisions" relating to the issues addressed in those interrogatories. Finally, you agreed to provided a revised answer to Interrogatory MAPSA-I-136, reflecting the first and second levels of persons contacted to provide answers to MAPSA's interrogatories. As yet, we have not received any revised responses relating to MAPSA's first Motion to Compel. We look forward to receiving them shortly.

Kent D. Murphy, Esquire
February 28, 2000
Page 2

Finally, as we discussed, we are happy to grant you an additional day to respond to our second Motion to Compel. We look forward to receiving your response tomorrow. Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink that reads "Matt". The signature is written in a cursive, slightly slanted style.

Matthew A. Hamermesh

MAH/tg

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of PECO Energy company
Pursuant to Chapter 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

CONFIDENTIALITY AGREEMENT

Supply Association

WHEREAS, Mid-Atlantic Power/ ("Intervenor") and PECO Energy Company
("PECO Energy") are parties to the above-captioned proceedings (hereinafter referred to
collectively as "party" or "parties"), and may or will be producing to each other (1) written
testimony and exhibits, and (2) documents and other information responsive to document
requests and other discovery pursuant to the Rules of Administrative Practice and Procedure
of the Pennsylvania Public Utility Commission ("discovery material"), and

WHEREAS, some of that material may be deemed by a party to be proprietary and
confidential,

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. This Confidentiality Agreement (the "Agreement") applies to all testimony and
exhibits, as well as to all discovery material, including documents and other products of
discovery, all information derived therefrom, including, but not limited to all copies, excerpts, or
summaries thereof, obtained by the parties pursuant to requests under 52 Pa. Code §5.349,
answers to requests for admission under 52 Pa. Code § 5.350, answers to interrogatories

under 52 Pa. Code §5.342, documents subpoenaed pursuant to 52 Pa. Code §5.373, and transcripts of depositions taken pursuant to 52 Pa. Code §§5.343 and 5.345

2. At the time any testimony, exhibit, or discovery material is produced or supplied by a party, the party may designate the testimony, exhibit, or discovery material as "CONFIDENTIAL" ("confidential material") by serving upon counsel a notice in writing of the party's intent to do so, describing with specificity any testimony, exhibit, or discovery material sought to be so designated. A list of such testimony, exhibits, or discovery material, containing descriptions sufficient for identification, shall be prepared and attached hereto as an Appendix, which shall be incorporated herein by reference. If testimony, exhibits, or discovery material are designated as "CONFIDENTIAL" on more than one occasion, a list shall be attached hereto for each such occasion as consecutively marked Appendices, beginning with Appendix No. 1.

3. Material that is designated as "CONFIDENTIAL" shall be stamped "Confidential" by the party designating it as such. Where only a part of data compilations or multi-page documents constitutes or contains confidential material, the party who designated the material as "CONFIDENTIAL" (the "producing party") insofar as reasonably practicable within discovery and other time constraints imposed in this proceeding, shall designate only the specific data or pages which contain confidential material. Confidential material that is provided in electronic form need not be stamped "Confidential" or designated as "Confidential" in the text of the material provided.

4. To the extent that the party receiving confidential information is subject to the Pennsylvania Right-To-Know Act, that party shall consider and treat the confidential material as within the exemptions from disclosure provided in the Pennsylvania Right-To-Know Act as

set forth in 65 P S Section 66.1(2), until such information is found to be non-confidential or non-proprietary.

5. Confidential material shall not be disclosed to any person, including the officers, directors, employees, representatives or agents of the party receiving the confidential material, except: (1) the party's counsel, (2) a person employed or retained by that counsel as an attorney, expert, legal assistant, law clerk, or secretary whose duties include assisting that counsel in the preparation or presentation of this case, and (3) a limited number of client representatives not to exceed three persons per party.

6. Every person to whom disclosure is made of any confidential material subject to this Agreement shall be informed of the terms of this Agreement, and shall agree to be bound by it, and his or her name shall be designated in writing to the producing party within five days of the date on which the first disclosure is made. Every such person shall also sign a Confidentiality Agreement Acceptance Form in the form attached hereto as Exhibit "A," copies of which executed forms must be supplied to the producing party. Copies of the executed forms shall be forwarded to the person who has signed this Agreement on behalf of the producing party. The parties agree that all such persons to whom confidential material is disclosed may use such confidential material solely to help prepare and present a party's case in this proceeding.

7. The party who receives confidential material shall retain the right to question the confidential or proprietary nature of confidential material and to question or challenge the admissibility of confidential material. If a challenge to the confidential nature of confidential material is made, the producing party shall retain the burden of demonstrating that the designation is appropriate.

8. The producing party shall retain the right to question or challenge the admissibility of confidential material; to refuse or object to the production of confidential material on any proper ground, including but not limited to irrelevance, immateriality or undue burden; and to seek additional measures of protection beyond those provided in this Agreement.

9. Any party may move the Commission for an Order that allows that party to disclose particular confidential material to persons not permitted access to such confidential material pursuant to the terms of this Agreement. Before moving the Commission for such an Order, however, a party, through his counsel, shall make a request to the attorneys for the producing party in writing, and thereafter, the attorneys of record shall meet or confer by telephone to attempt to resolve the request. Any resolution shall be set forth in writing and signed by the moving and producing parties' attorneys. Any Motion filed pursuant to this paragraph shall be accompanied by a certification by the attorney for the moving party that the moving party has complied with the provisions of this paragraph. While any Motion filed pursuant to this paragraph is pending, the moving party shall not disclose the confidential material in question to any persons not permitted access to such confidential material pursuant to the terms of this Agreement.

10. The parties agree to investigate reasonable alternatives before proposing to place into the public record any deposition, brief, memorandum, written discovery material, or other writing that: (1) refers to, discusses, or directly relates to, confidential material, or (2) has any such confidential material affixed thereto as an exhibit or otherwise. If a party determines that it cannot agree to any reasonable alternative to public disclosure of any such writing, the

party shall file any such writing under seal. Counsels' copies of all such writings shall be subject to the provisions of this Agreement concerning disclosure and use.

11. If any party includes material designated by that party as "CONFIDENTIAL," or references thereto that disclose the matter designated as "CONFIDENTIAL," in any unsealed filing of its own to the Commission, that party waives the protection provided by this Agreement with respect to such confidential material, with the exception that, for testimony and exhibits designated as "CONFIDENTIAL," the producing party does not waive any protections provided by this Agreement by including the confidential material to the Commission as part of its Application, testimony, or exhibits.

12. Any party who believes that another party has violated or intends to disclose or use any confidential material in a manner prohibited by this Agreement may move the Commission for an Order imposing appropriate sanctions on the party allegedly in violation of this Agreement, and/or directing the adverse party to refrain from such disclosure or use when appropriate. The parties agree that the Commission shall have the authority to adjudicate such a dispute, and agree to be bound by whatever determination the Commission makes.

13. This Agreement shall continue to be binding throughout and after the conclusion of proceedings in the above-captioned matter.

14. The parties agree that this Agreement, which consists of six pages and fourteen numbered paragraphs, may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same

Agreement



Attorney for Intervenor
Joseph A. Dworetzky
Matthew A. Hamermesh
HANGLEY ARONCHICK SEGAL & PUDLIN
One Logan Square, 27th Floor
Philadelphia, PA 19103

2-11-00

Date

Kent D. Murphy

Kent D. Murphy
Assistant General Counsel
2301 Market Street, S23-1
Philadelphia, PA 19103
Attorney for PECO Energy Company

2/15/00

Date