



COMMONWEALTH OF PENNSYLVANIA  
 PENNSYLVANIA PUBLIC UTILITY COMMISSION  
 P.O. BOX 3265, HARRISBURG, PA 17105-3265  
 ISSUED: JUNE 1, 2000

IN REPLY PLEASE  
 REFER TO OUR FILE  
 A-00110550F0147

THOMAS GADSDEN ESQUIRE  
 ANTHONY DECUSATIS ESQUIRE  
 MORGAN LEWIS & BOCKIUS  
 1701 MARKET STREET  
 PHILADELPHIA 19101-2921

DOCUMENT  
 FOLDER

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

TO WHOM IT MAY CONCERN:

Enclosed is a copy of the Recommended Decision of Administrative Law Judge Charles E. Rainey, Jr.

An original and nine (9) copies of signed exceptions to the decision, if any, **MUST BE FILED WITH THE SECRETARY OF THE COMMISSION IN ROOM B-20, NORTH OFFICE BUILDING, NORTH STREET AND COMMONWEALTH AVENUE, HARRISBURG, PA OR MAILED TO P.O. BOX 3265, HARRISBURG, PA 17105-3265**; a copy in the hands of the Office of Special Assistants, Room 210; and a copy in the hands of each party of record no later than **June 9, 2000** by 4:30 P.M. 52 Pa. Code §1.56(b) cannot be used to extend the prescribed period for the filing of exceptions or reply exceptions.

Replies to exceptions, if any, must be served on the Secretary of the Commission, in the manner described above, no later than **June 14, 2000** by 4:30 P.M. as well as served upon the parties. A certificate of service shall be attached to the filed exceptions.

Exceptions and reply exceptions shall obey 52 Pa. Code 5.533 and 5.535, particularly the 40-page limit for exceptions and the 25-page limit for replies to exceptions. Exceptions should be clearly labeled as "EXCEPTIONS OF (name of party) - (protestant, complainant, staff, etc.)".

Any reference to specific sections of the Administrative Law Judge's Recommended Decision shall include the page number(s) of the cited section of the decision.

Parties are also requested to provide the Commission's Office of Special Assistants with a copy of exceptions/reply exceptions on a computer disk, 3 1/2" in size, in Microsoft Word 6.0 format. If Word 6.0 is not available, either Wordperfect 5.1 or ASCII format is acceptable.

Very truly yours,

FG  
 Encls.

Certified Mail  
 Receipt Requested

James J. McNulty  
 Secretary

CC: ALJ/OFFICE OF ALJ/OSA/BFUS-TARIF/OTS/OCA/LAW/BFUS/PIO/CEEP/AUDITS/OURFILE /C&A/  
 CHAIRMAN/COMMISSIONERS

See Attached Listing for Additional Parties of Record

DOCUMENTED  
 JUN 05 2000

THOMAS GADSDEN ESQUIRE  
ANTHONY DECUSATIS ESQUIRE  
MORGAN LEWIS & BOCKIUS  
1701 MARKET STREET  
PHILADELPHIA PA 19101-2921

PAUL R BONNEY ESQUIRE  
PECO ENERGY COMPANY  
2301 MARKET STREET  
PO BOX 8699  
PHILADELPHIA PA 19101-8699

HON ALLYSON Y SCHWARTZ  
PENNSYLVANIA SENATE  
SENATE BOX 203004  
HARRISBURG PA 17120-3004  
MESSENGER

JOHN HANGER  
PETER MEADOWS ADELS GEN CNSL  
CITIZENS FOR PA FUTURE  
212 LOCUST COURT STE 410  
HARRISBURG PA 17101

PETER MEADOWSADELS  
CITIZENS OF PA FUTURE  
117 S 17<sup>TH</sup> STREET STE 1801  
PHILADELPHIA PA 19103

CHRISTOPHER B CRAIG ESQUIRE  
ROOM 545 MAIN CAPITOL BLDG  
HARRISBURG PA 17120  
MESSENGER

DANIEL CLEARFIELD ESQUIRE  
WOLF BLOCK SHORR & SOLIS-  
COHEN  
212 LOCUST STREET STE 300  
HARRISBURG PA 17101

AMY GOLD  
SHELL ENERGY SERVICES  
PO BOX 4402  
HOUSTON TX 77210

C A WEISER ESQUIRE  
SUTHERLAND ASBILL & BRENNAN  
1275 PENNSYLVANIA AVE NW  
WASHINGTON DC 20004-2415

DAVID M KLEPPINGER ESQ  
MCNEES WALLACE & NURICK  
100 PINE STREET  
PO BOX 1166  
HARRISBURG PA 17108-1166

PAUL E RUSSELL ESQUIRE  
PP&L INC  
TWO NORTH NINTH STREET  
ALLENTOWN PA 18101-1179

DONALD A KAPLAN ESQUIRE  
PRESTON GATES ELLIS &  
ROUVELAS MEEDS  
1735 NEW YORK AVE NW  
STE 500  
WASHINGTON DC 20006

CRAIG A DOLL ESQUIRE  
25 NORTH FRONT STREET 2<sup>ND</sup> FL  
HARRISBURG PA 17101-1606

JOHN S HALSTED ESQUIRE  
GAWTHROP GREENWOOD & HALSTED  
119 NORTH HIGH STREET  
PO BOX 562  
WEST CHESTER PA 19381-0562

JOSEPH OTIS MINOTT ESQUIRE  
CLEAN AIR COUNCIL  
135 S 19<sup>TH</sup> STREET STE 300  
PHILADELPHIA PA 19103

MICHAEL FIORENTINO ESQUIRE  
CLEAN AIR COUNCIL  
105 NORTH FRONT STREET  
STE 106  
HARRISBURG PA 17101

T SCHMIDT III ESQUIRE  
PEPPER HAMILTON LLP  
200 ONE KEYSTONE PLAZA N  
FRONT & MARKET  
HARRISBURG PA 17108-1181

JOHN WILL PEPPERMAN ESQUIRE  
PEPPER HAMILTON LLP  
600 FOURTEENTH STREET NW  
WASHINGTON DC 20005-2004

KENNETH M BARNA ESQUIRE  
RUBIN & RUDMAN LLP  
50 ROWES WHARF  
BOSTON MA 02110

JOHN L HALL ESQUIRE  
UNRUH TURNER BURKE & FREES  
PO BOX 515  
WEST CHESTER PA 19381-0515

JOSEPH A DWORETZKY ESQUIRE  
HANGLEY ARONCHICK SEGAL &  
PUDLIN  
ONE LOGAN SQUARE 27<sup>TH</sup> FL  
PHILADELPHIA PA 19103

JUDITH L MONDRE PRESIDENT  
MONDRE ENERGY INC  
1601 MARKET STREET STE 1750  
PHILADELPHIA PA 19103

CARVILLE B COLLINS ESQUIRE  
PIPER MARBURY RUDNICK &  
WOLFE  
6225 SMITH AVENUE  
BALTIMORE MD 21209-3600

CHRISTOPHER J TOWNSEND ESQ  
PIPER MARBURY RUDNICK WOLFE  
203 N LASALLE STREET #1500  
CHICAGO IL 60601

PHILIP A BERTOCCHI ESQUIRE  
COMMUNITY LEGAL SERVICES  
1424 CHESTNUT STREET 4<sup>TH</sup> FL  
PHILADELPHIA PA 19102

PATRICIA MCNAMARA  
6048 OGONTZ AVENUE  
PHILADELPHIA PA 19141

JOHN L MUNSCH ESQUIRE  
WEST PENN POWER COMPANY  
800 CABIN HILL DRIVE  
GREENSBURG PA 15601-1689

NORBERT J SMITH ESQUIRE  
PATRICIA J CLARK  
ROSEYTOWN ROAD  
RR 12 BOX 1000  
GREENSBURG PA 15601

GERALD CORNISH ESQUIRE  
WOLF BLOCK SCHORR &  
SOLIS-COHEN  
1650 ARCH ST 22<sup>ND</sup> FLOOR  
PHILADELPHIA PA 19103

DAVID COHEN COUNCILMAN  
ROBERT JAFFE ESQUIRE  
CITY OF PHILADELPHIA  
CITY HALL ROOM 588  
PHILADELPHIA PA 19107

SAM DEFRAWI NAVY RATE  
INTERVENTION  
ENG FIELD ACTIVITY  
CHESAPEAKE  
1314 HARWOOD STREET SW  
WASHINGTON NAVY YARD DC 20374-5018

AUDREY VAN DYKE ESQUIRE  
LITIGATION COMMAND  
BLDG 166 ROOM 340  
1013 O STREET SE  
WASHINGTON NAVY YARD DC 20374-5051

DONALD MCCLOSKEY PRESIDENT  
BRISTOL BOROUGH  
MUNICIPAL BUILDING  
250 POND STREET  
BRISTOL PA 19007

KENNETH MICKENS ESQUIRE  
PA PUC OFFICE OF TRIAL  
STAFF  
PO BOX 3265  
HARRISBURG PA 17105-3265  
MESSENGER

BERNARD A RYAN ESQUIRE  
OFFICE OF SMALL BUSINESS  
ADVOCATE  
COMMERCE BLDG STE 1102  
300 NORTH SECOND STREET  
HARRISBURG PA 17101  
MESSENGER

TANYA J MCCLOSKEY  
OFFICE OF CONSUMER ADVOCATE  
FORUM  
555 WALNUT STREET 5TH FLOOR  
HARRISBURG PA 17101-1921  
MESSENGER

ERIC JOSEPH EPSTEIN PRO SE  
4100 HILLSDALE ROAD  
HARRISBURG PA 17112

JOHN S HALSTED ESQUIRE  
ANDREW RAU ESQUIRE  
GAWTHROP GREENWOOD & HALSTED  
119 N HIGH ST PO BOX 562  
WEST CHESTER PA 19381-0562

ANDREW ALTMAN  
400 S CAMAC STREET  
PHILADELPHIA PA 19147

DENNIS WATERS  
2314 DELANCEY PLACE  
PHILADELPHIA PA 19103

GREGORY J PASTORE  
619 PEMBERTON STREET  
PHILADELPHIA PA 19147

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 : Docket No.  
Plan of Corporate Restructuring, Including :  
the Creation of a Holding Company and (2) : A-00110550F0147  
the Merger of the Newly Formed Holding :  
Company and Unicom Corporation :

RECOMMENDED DECISION

Before  
CHARLES E. RAINEY, JR.  
Administrative Law Judge

RD  
serve 6-1 RUSH  
exp 6-9  
replies 6-14  
IN HAND

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 : Docket No.  
*Plan of Corporate Restructuring, Including* :  
the Creation of a Holding Company and (2) : A-00110550F0147  
the Merger of the Newly Formed Holding :  
Company and Unicom Corporation :

RECOMMENDED DECISION

Before  
CHARLES E. RAINEY, JR.  
Administrative Law Judge



## TABLE OF CONTENTS

I.	HISTORY OF THE PROCEEDINGS	1
II.	DESCRIPTION AND TERMS OF JOINT PETITION FOR SETTLEMENT	9
A.	Major Terms and Conditions	10
1.	Rate Reductions	10
2.	Extension of Rate Cap	10
3.	Recovery of Nuclear Costs	10
4.	Reliability and Customer Service	11
5.	Universal Service	11
6.	Environmental Provisions	11
7.	Promoting Competition	11
(a)	Release of Customer Historical Billing Data	12
(b)	Individual Customer Inquiries	12
(c)	Advance Notice of Process Changes	12
(d)	Customer Load Profile Revision	12
(e)	Dispute Resolution	12
(f)	Provider of Last Resort (PLR) Marketing	13
(g)	Competitive Default Service	13
8.	PECO's Corporate Headquarters	13
9.	Employment and Staffing Levels	13
10.	Charitable Contributions	13
11.	Agreement between PECO and Wallace Township and East Brandywine Township	13
III.	PUBLIC INPUT HEARINGS	14
IV.	EXPERT WITNESS HEARING	16
A.	Councilman Cohen's Witnesses	17
1.	Councilman Cohen	17
a.	Nuclear Safety	17
b.	Competition	18
c.	State and Local Economy	19
2.	Dr. Sternglass	19
3.	Dr. Sherman	20
4.	Mr. Mangano	21
B.	PPL's Witness	21
1.	Mr. Gioia	21
a.	Settlements and Precedent	22

V.	STANDARD OF LEGAL REVIEW	23
VI.	DISCUSSION	25
	A. Public Input Testimony	25
	1. Employment	25
	2. Workplace and Procurement Diversity	26
	3. Charitable and Economic and Community Development Contributions	28
	4. Reliability	29
	5. Nuclear Safety	29
	6. Competition	30
	B. Expert Witness Testimony	31
	1. PPL Testimony	31
	a. Effect of Settlements	31
	b. Other Issues Raised by PPL in its “Objections to the Settlement Petition”	35
	(1) The Settlement Petition is Supported by Substantial Evidence	35
	(2) The Rate and Reliability Provisions are in the Public Interest	36
	(3) Nuclear Safety Issues Come Under the Jurisdiction of the Nuclear Regulatory Commission	38
	(4) The Development of Solar and Wind Power is in the Public Interest	39
	(5) The Competitive Default Service Provisions of the Settlement Petition Promote Competition	42
	(6) The Large Customer Agreements are in the Public Interest	43
	2. Councilman Cohen Testimony	46
	a. The Nuclear Regulatory Commission has Jurisdiction over Nuclear Safety Issues	46
	b. The Commitments to Rate Reductions, Economic Development, Charitable Contributions and Employment are in the Public Interest	48
	C. The Settlement Petition Provides Substantial Benefits to the Public and Promotes Retail Competition	50
VII.	FINDINGS OF FACT	53
VIII.	CONCLUSIONS OF LAW	54
IX.	RECOMMENDED ORDER	55

## I. HISTORY OF THE PROCEEDING

On November 22, 1999, PECO Energy Company (PECO or Applicant) filed with the Pennsylvania Public Utility Commission (Commission or the PUC) the “Application of PECO Energy Company, Pursuant to Chapters 11, 19, 21, 22 and 28 Of The Public Utility Code, For Approval Of (1) A Plan Of Corporate Restructuring, Including the Creation Of A Holding Company And (2) The Merger Of The Newly Formed Holding Company And Unicom Corporation” (Application). The transactions contemplated by the Application include: (1) the creation of NEWHOLDCO Corporation (NewCo.) as a wholly owned subsidiary of PECO<sup>1</sup>; (2) the exchange of PECO common stock for NewCo. common stock, such that, after the share exchange, NewCo. will be the parent of PECO; (3) PECO’s transfer of its generating assets and wholesale power contracts to a newly formed generation subsidiary (GenCo.) and its transfer of certain other assets and common facilities to NewCo., to a newly formed service company (ServeCo.) and to newly formed non-utility business subsidiaries (VenturesCo.); (4) PECO’s distribution to NewCo. of its shares in GenCo., ServeCo. and VenturesCo., thereby making those companies direct subsidiaries of NewCo.; and (5) concurrent with the consummation of the restructuring, and pursuant to the terms of their Agreement and Plan of Exchange and Merger, the merger of NewCo. and Unicom Corporation (Unicom). In order to give effect to these transactions, PECO requested that the Commission grant the following approvals: (1) the issuance of Certificates of Public Convenience under Section 1102 of the Public Utility Code, (66 Pa. C.S. §1102); the registration of Securities Certificates under Section 1901 of the Public Utility Code (66 Pa. C.S. §1901), if required; (3) the approval of contracts with affiliated interests under Section 2102(b) of the Public Utility Code, (66 Pa. C.S. §2102(b)); (4) making the

---

<sup>1</sup> Subsequent to the filing of the Application, PECO announced that NEWHOLDCO Corporation would be renamed Exelon Corporation.

findings described in Sections 2210<sup>2</sup> and 2811(e)<sup>3</sup> of the Public Utility Code (66 Pa. C.S. §§2210 and 2811(e)); and (5) making the findings required by Sections 32(c) and 32(k) of the Public Utility Holding Company Act (15 U.S.C. §793-5a(c) and (k) for PECO to seek from the Federal Energy Regulatory Commission (FERC) Exempt Wholesale Generator (EWG) status and approval to purchase electric power from an affiliate at market-based rates.

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). The notice provided that protests or petitions to intervene were to be filed with the Commission on or before December 20, 1999.

The matter of PECO's Application was assigned to me. By Notice dated December 21, 1999, a prehearing conference was scheduled for January 20, 2000.

The prehearing conference was held on January 20, 2000 as scheduled. Present were PECO Energy Company (PECO); Office of Consumer Advocate (OCA); Mid-Atlantic Power Supply Association (MAPSA); Office of Small Business Advocate

---

<sup>2</sup> Section 2210 of the Public Utility Code (66 Pa. C.S. §2210), requires the Commission in the exercise of its authority to approve mergers involving natural gas distribution companies to consider: (1) whether the proposed merger "is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining benefits of a properly functioning and effectively competitive retail natural gas market"; and (2) the effect of the proposed merger "on the employees of the natural gas distribution company and on any authorized collective bargaining agent representing those employees."

<sup>3</sup> Section 2811(e) of the Public Utility Code (66 Pa. C.S. §2811(e)), requires the Commission in the exercise of its authority to approve mergers involving electric utilities to consider "whether the proposed merger . . . is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market."

(OSBA); Eric Epstein; National Railroad Passenger Corporation (Amtrak); PPL Electric Utilities Corporation (PPL); Conectiv Energy (Conectiv); Shell Energy Services, Inc; (Shell); Senator Vincent J. Fumo; Consumers Education and Protective Association, Association of Community Organizations for Reform Now, Action Alliance of Senior Citizens, and Tenants' Action Group (CEPA, et al.); Enron Energy Services (Enron); Councilman David Cohen; Gregory J. Pastore; East Brandywine Township; Allegheny Power and Allegheny Energy Supply Company, LLC (Allegheny); Citizens for Pennsylvania's Future (PennFuture, et al.); Patricia McNamara; Office of Trial Staff (OTS); Philadelphia Area Industrial Energy Users Group (PAIEUG); and Industrial Energy Consumers of Pennsylvania (IECPA).

As of the prehearing conference, a number of protests and/or petitions to intervene had been filed in this case. No objections were made to the participation of any of those persons or entities as formal parties to this proceeding. Those persons or entities who had filed by the date of the prehearing conference, protests and/or petitions to intervene in these proceedings, were granted the right to participate in these proceedings as formal parties. As of the prehearing conference, the following persons and entities had filed protests and/or petitions to intervene in this proceeding: PennFuture, et al, Eric Epstein; Senator Vincent J. Fumo; Enron; Shell; PAIEUG; PPL; Conectiv; East Brandywine Township; Clean Air Council, et al.; Amtrak; Wallace Township; MAPSA; OCA; Gregory J. Pastore; CEPA, et al.; Patricia McNamara; Allegheny; IECPA; OSBA and Councilman David Cohen.

By Order dated March 8, 2000, I granted the late-filed protest and petition to intervene of NewEnergy East, L.L.C. (NewEnergy). By Order dated March 13, 2000, I granted the late-filed petition to intervene of the City of Philadelphia (City). By Order dated March 30, 2000, I granted the late-filed petition to intervene of the U.S. Department of the Navy (Navy). However, the Navy subsequently withdrew its petition to intervene.

During the January 20, 2000, prehearing conference, a procedural schedule which included discovery, public input hearings, and evidentiary hearings was established. The matters addressed during the January 20, 2000, prehearing conference were memorialized in my Prehearing Order dated January 28, 2000.

On January 21, 2000, PECO filed with the Commission a petition requesting that the Commission exercise its authority under Section 335(a) of the Public Utility Code, 66 Pa. C.S. §335(a), and dispense with an initial decision in this proceeding and have the record certified directly to the Commission for a final decision (Petition for Certification of the Record). The Commission at its Public Meeting on March 2, 2000, denied PECO's Petition for Certification of the Record.

Subsequent to the prehearing conference, the parties engaged in settlement negotiations. On March 23, 2000, PECO filed with the Commission on behalf of itself and a number of other parties to this proceeding, a Joint Petition for Settlement (Settlement Petition). Signatories to the Settlement Petition include: PECO, PennFuture, et al.; Senator Vincent J. Fumo; Eric Epstein; PAIEUG; Enron; OCA; Conectiv; Clean Air Council, et al.; Amtrak, CEPA; Patricia McNamara; MAPSA; IECPA; OTS; OSBA; NewEnergy; and the City of Philadelphia. Statements or letters in support of the Settlement Petition were filed by the City of Philadelphia; MAPSA; Amtrak, Clean Air Council, et al.; PAIEUG; IECPA; CEPA, et al.; OCA, Eric Epstein; PECO; OSBA; PennFuture; and OTS.

The following parties submitted letters or have otherwise indicated that they either do not oppose the Settlement Petition or that they will take no position in regard thereto: Allegheny Energy Supply; Allegheny Power/West Penn Power Supply; Greg Pastore; and Shell Energy Services.

On April 3, 2000, PECO filed a separate agreement dated March 30, 2000, between itself and East Brandywine Township and Wallace Township.

Councilman Cohen and PPL oppose the Settlement Petition.

Included in the Settlement Petition was a request by the signatory parties for modification of the procedural schedule. The signatory parties crafted and recommended that a specific modified schedule be followed. At the first public input hearing on March 27, 2000, I rejected the settlement parties' proposed schedule and established one of my own. The modified schedule which I established provided that public input hearings would be held as previously scheduled. It also provided the parties an opportunity to file Objections or Comments to the Settlement Petition or Replies to the Objections or Comments. The revised schedule was memorialized in my Order Revising Procedural Schedule dated March 28, 2000.

A total of seven<sup>4</sup> public input hearings were held March 27-31, 2000, in the counties of Philadelphia, Bucks, Montgomery, Chester and Delaware. In addition a public input hearing was held in York, Pennsylvania on April 4, 2000. A total of approximately 42 members of the public presented sworn oral testimony at the public input hearings. The formal parties who appeared at the public input hearings included PECO, OTS, OCA and OSBA.

Pursuant to my Order Revising Procedural Schedule, a number of parties filed Comments or Objections to the Settlement Petition, or Replies to the Comments or Objections. Some parties additionally or alternatively filed testimony.

---

<sup>4</sup> Afternoon and evening public input hearings were held in the counties of Philadelphia and Chester.

PPL filed Objections to the Settlement Petition on April 12, 2000. PPL requested that evidentiary hearings be held in regard to the Settlement Petition. PPL Objections at 33. Philadelphia City Councilman David Cohen filed Comments and Objections to the Settlement Petition on April 12, 2000. Councilman Cohen also requested that evidentiary hearings be held in regard to the Settlement Petition. Councilman Cohen Objections at 7.

The following parties filed Replies to the Comments and/or Objections of PPL and/or Councilman Cohen: the Office of Consumer Advocate (OCA); the Office of Small Business Advocate (OSBA); the Office of Trial Staff (OTS); Philadelphia Area Industrial Energy Users Group (PAIEUG); Industrial Energy Consumers of Pennsylvania (IECPA); Clean Air Council, et al; and the National Railroad Passenger Corporation (Amtrak).

The following parties filed Replies and testimony: PECO; PennFuture, et al.; Eric Epstein; and CEPA, et al.<sup>5</sup>

The following parties filed testimony in lieu of Replies: the City of Philadelphia (City); Senator Vincent Fumo; and East Brandywine Township.

In light of the requests for evidentiary hearings by Councilman Cohen and PPL, and my belief that evidentiary hearings may be necessary and helpful in the adjudication of this matter, evidentiary hearings were scheduled for May 10-11, 2000. Pre-filed written testimony was required by May 3, 2000. The new procedural schedule was memorialized in my Prehearing Order #2 dated April 25, 2000.

---

<sup>5</sup> CEPA, et al and Senator Vincent Fumo jointly sponsored testimony.

In response to my second prehearing order, pre-filed written testimony was submitted by the following parties<sup>6</sup>: MAPSA; Clean Air Council, et al.; PAIEUG; Amtrak; OTS; OCA; Councilman Cohen; and PPL.

An evidentiary hearing was held as scheduled on May 10, 2000.<sup>7</sup> The following parties appeared: PECO; OTS; OCA; Eric Epstein; PAIEUG; IECPA; the City; CEPA, et al.; OSBA; PPL; Amtrak; Allegheny; MAPSA; Clean Air Council, et al.; PennFuture, et al.; and Councilman Cohen.

By stipulation of all of the parties, the written testimonies, exhibits and other documents previously submitted by the various parties, were marked for identification and admitted into evidence without cross-examination of the witnesses who prepared the documents. The written testimonies, exhibits and other documents which were admitted into evidence by stipulation of all of the parties, are listed in a document styled "Documents To Be Entered Into The Record" which was marked as Parties' Exhibit No. 1 and entered into the record.<sup>8</sup> Parties' Exhibit No. 1 is appended to this Initial Decision as "Attachment A."

---

<sup>6</sup> This list does not include those parties who had previously submitted testimony along with, or in lieu of, Replies to Objections or Comments. Those parties include PECO; PennFuture, et al.; Epstein; CEPA, et al.; the City; Senator Fumo; and East Brandywine Township.

<sup>7</sup> The evidentiary hearing concluded on May 10, 2000, and therefore no hearing was held on May 11, 2000.

<sup>8</sup> The documents listed in Parties' Exhibit No. 1 under paragraphs numbered 5 and 6, were not admitted into evidence.

I further note that portions of the written testimony of PennFuture's witness were withdrawn pursuant to a stipulation between PennFuture and PPL. The stipulation between PennFuture and PPL was marked for identification purposes as PPL and PennFuture Exhibit No. 1, and it was admitted into evidence. This stipulation rendered moot PPL's motion to strike portions of the testimony of PennFuture's witness.

On the basis of an agreement reached by all of the parties, except Epstein, two witnesses for Councilman Cohen – Councilman Cohen himself and Dr. Ernest Sternglass, were permitted to provide oral direct testimony at the hearing. Mr. Epstein was permitted to cross-examine each witness and provide oral rebuttal testimony.

After a brief off-the-record discussion, I determined that the briefing schedule which I established in my second prehearing order would remain unchanged. Therefore, initial briefs were due on May 17, 2000 and reply briefs were due on May 24, 2000.

Initial briefs were filed by: PECO; OCA; Amtrak; Clean Air Council, et al.; CEPA, et al.; Epstein; OTS; PAIEUG; the City; OSBA; PennFuture, et al.; Councilman Cohen; and PPL.

Reply briefs were filed by: PECO; OCA; OTS; OSBA; Epstein; PennFuture, et al.; PAIEUG; Amtrak; Clean Air Council, et al.; Councilman Cohen; and PPL. CEPA, et al. filed a letter in support of the OCA's reply brief.

## II. DESCRIPTION AND TERMS OF JOINT PETITION FOR SETTLEMENT

The Settlement Petition consists of:

(1) Volume I (the terms and conditions of settlement) and Volume II (appendices to the Settlement Petition). Volumes I and II of the Settlement Petition are appended to this Recommended Decision at “Attachment B”.<sup>9</sup>

(2) The written statements of the following parties in support of the Settlement Petition: PECO; PennFuture, et al.; OTS; OSBA; Epstein; OCA; PAIEUG; Clean Air Council, et al.; IECPA; MAPSA; Amtrak; CEPA, et al.; and the City. Copies of the statements of these parties in support of the Settlement Petition are appended to this Recommended Decision at “Attachment C.”

(3) PECO’s letter dated April 27, 2000, addressed and filed with the Commission’s Secretary in which it outlined additional commitments it made to the City. Attached to that letter is a copy of a letter dated April 11, 2000 from PECO to the City’s Mayor in which PECO confirms its further commitments in maintaining its corporate headquarters for its distribution business in Philadelphia; and maintaining its employees in Philadelphia. Copies of PECO’s April 27, 2000 letter and the attached April 11, 2000 letter are appended to this Recommended Decision at “Attachment D.”

(4) PECO’s settlement agreement with Wallace Township and East Brandywine Township dated March 30, 2000. This document, which is styled as “Joint Petition Regarding Issues

---

<sup>9</sup> Attachment B includes a revised Appendix A to Volume II. PECO filed Revised Appendix A on April 27, 2000.

Attachment B also includes a revised Appendix D to Volume II. PECO filed Revised Appendix D on April 3, 2000.

Attachment B also includes with Volume II, Appendix G, which was filed subsequent to the original filing.

Attachment B also includes with Volume I the signatures of NewEnergy East, LLC and the City which were submitted subsequent to the original filing.

Raised By Wallace Township and East Brandywine Township” was filed with the Commission on April 3, 2000. It is appended to this Recommended Decision at “Attachment E.”

A. Major Terms and Conditions

The Settlement Petition contains numerous terms and conditions. The detailed terms and conditions governing the settlement may be found in the Settlement Petition which is appended to this Recommended Decision. I will not attempt to restate all of the detailed terms and conditions of the settlement here. Below are the major terms and conditions contained in the Settlement Petition.

1. Rate Reductions

Over the four year period beginning January 1, 2002 and ending December 31, 2005, PECO will reduce its retail electric distribution rates by a total of \$200 million. PECO will reduce its retail electric rates by \$60 million in each of the first two years, and by \$40 million in each of the last two years.

2. Extension of Rate Cap

PECO will extend for an additional 18 months or until December 31, 2006, the rate cap on its retail transmission and distribution charges. The rate cap was otherwise scheduled to expire on June 30, 2005, pursuant to the Commission-approved settlement reached in regard to PECO’s Electric Restructuring Application at docket number R-00973953.

3. Recovery of Nuclear Costs

PECO will not seek to recover through Pennsylvania retail electric distribution rates, the costs associated with the ownership and operation of any nuclear generating plants which PECO did not hold on December 31, 1999.

4. Reliability and Customer Service

PECO commits to a Quality of Service Plan (Service Plan) designed to provide higher levels of reliability and customer service in PECO's service territory. Over the period from 2001 through 2005, PECO commits to provide service which is more reliable and of a higher quality, as measured against historical data; and/or PECO, Commission and industry standards. PECO will provide to the Commission and other interested parties, a report each year on its performance in achieving the targets for higher levels of service.

5. Universal Service

PECO agrees to provide \$1.3 million per year for 2001 and 2002 to the county fuel fund agencies in each county in PECO's electric service territory that currently administer fuel grants.<sup>10</sup> PECO also agrees to increase the level of participation in its CAP Rate Program (for payment troubled, low income customers) from 100,000 to 125,000 customers.

6. Environmental Provisions

PECO agrees to contribute millions of dollars to fund various programs and projects designed to foster and develop wind and solar generation.

7. Promoting Competition

PECO agrees to take the following steps to promote competition:

---

<sup>10</sup> The county fuel agencies are: Project Heat, c/o Bucks County Opportunity Council, Inc.; Chester County Cares, c/o Community Service Council of Chester County; Delco Shares Its Warmth, c/o Community Action Agency; Project Reach, c/o Montgomery County Community Action Development Commission; Utility Emergency Services Fund (Philadelphia County); MasonDixon Cares, c/o Mason Dixon Community Services (York County).

(a) Release of Customer Historical Billing Data

PECO will provide to both licensed EGSs and licensed natural gas suppliers (NGSs) serving PECO customers, via posting on the success website, when customers have authorized release of their information, 12 individual months of historical monthly electric usage and billed demand and/or gas billing data, as applicable, and as provided to PECO customers.

(b) Individual Customer Inquiries

PECO shall make all reasonable efforts to respond within 4 business days to customer – authorized EGS or NGS requests for individual 12 month historical customer usage and measured and billed demand information as historically provided to customers.

(c) Advance Notice of Process Changes

PECO agrees to provide EGSs 30 days advance notice of all discretionary, natural Electric Choice process changes, such as, for example, load forecasting and reconciliation, and a reasonable opportunity for comment prior to making such changes.

(d) Customer Load Profile Revision

PECO agrees to revise a customer's load profile if an EGS demonstrate to PECO that the customer has experienced significant over or under deliveries relative to their existing load profile for a period of six continuous months.

(e) Dispute Resolution

PECO agrees to apply and adhere to the Abbreviated Dispute Resolution Process to resolve disputes involving alleged violations of the Retail Access Code of Conduct, the GenCo Code of Conduct, alleged violations of its Electric Generation Supplier Coordination Tariff or a dispute allegedly affecting or threatening the ability of an entity to provide electric

generation or related services to a customer or customers.

(f) Provider of Last Resort (PLR) Marketing

Until January 1, 2004, PECO agrees not to market, advertise and promote its PLR service.

(g) Competitive Default Service

PECO agrees to certain revisions to its currently existing Competitive Default Service auction process in order to foster electric competition.

8. PECO's Corporate Headquarters

PECO will maintain the corporate headquarters for its distribution business in Philadelphia through at least January 1, 2008.

9. Employment and Staffing Levels

PECO will maintain employment at 2301 Market Street at no less than the following levels:

1325 through December 31, 2001  
1300 through December 31, 2002  
1275 through January 1, 2004  
1100 through January 1, 2008.

10. Charitable Contributions

PECO agrees to maintain at least current levels of charitable and civic giving and economic and community development contributions in Pennsylvania through 2003.

11. Agreement between PECO and Wallace Township and East Brandywine Township

PECO and the townships of Wallace and East Brandywine reached an agreement in a jointly signed document styled as "Joint Petition Regarding Issues Raised by Wallace Township and East Brandywine Township" (Township Agreement).

The Township Agreement provides that the parties will develop a mutually acceptable plan to improve reliability in the Townships (*Reliability Enhancement Plan*<sup>11</sup>). The Township Agreement also provides that the parties will submit the final plan to Commission by way of Petition or Complaint, request that the Commission open a new docket in regard to the matter, and that the Commission take jurisdiction over and approve the Township Agreement as an enforceable commitment.

### III. PUBLIC INPUT HEARINGS

A total of approximately 42 members of the public presented sworn testimony at the public input hearings. Approximately 24 people testified in support of the Settlement Petition, 6 expressed concerns about the Settlement Petition and 12 testified against the Settlement Petition. Below is a summary of the sworn testimony given by members of the public.

The following were among the various reasons given by supporters of the Settlement Petition:

- 1) The reduction in the electric distribution rates and the extension of the rate cap on retail transmission and distribution charges will result in stable rates over a period of time.
- 2) PECO's charitable contributions have significantly aided various communities and organizations. PECO's charitable contributions have helped disabled children and their families. PECO has contributed carbon dioxide and smoke detectors to a community.

---

<sup>11</sup> The Township Agreement states that PECO has already submitted to the Townships a proposed Reliability Enhancement Plan which includes 23 technical elements to improve reliability in the Townships. PECO's proposed Reliability Enhancement Plan is appended to the Township Agreement as Attachment "A".

- 3) PECO has shown signs of improving its service reliability. Its response time to outages has improved.
- 4) PECO has contributed to the economic development of various communities. PECO will be opening a state-of-the-art corporate center in Kennett Square.
- 5) PECO has helped customers by entering into bill payment arrangements with them.
- 6) The Settlement Petition fosters nuclear safety.

The following were among the various concerns expressed about the Settlement Petition:

- 1) The merger may result in the loss of some jobs held by PECO employees.
- 2) The merger may hurt economic development in the Philadelphia region.
- 3) The merger may adversely impact women and minority employment at PECO.
- 4) The merger is silent in regard to PECO's use of women and minority vendors in the procurement process.
- 5) The merger is silent in regard to any contributions by PECO to minority-owned businesses such as minority-owned banks.
- 6) The merger is silent in regard to any contributions by PECO to environmental concerns and programs in the minority community such as the Cobbs Creek Community Environmental Education Center.
- 7) The merger may adversely impact the level of PECO's charitable contributions.

8) Commonwealth Edison Company's reliability problems (frequent blackouts in its service territory) may adversely impact PECO's customers. Electric power may be diverted to Commonwealth Edison Company's service territory.

The following were among the reasons given by those persons opposed to the Settlement Petition:

- 1) The merger will foster the proliferation of nuclear power plants, and nuclear power plants are unsafe.
- 2) PECO has provided unreliable service, which has included: (a) an unacceptable number and duration of service interruptions and power surges; and (b) the delayed response of PECO's trouble crews.
- 3) The merger will result in a loss of potential competition with Commonwealth Edison Company.
- 4) The merger will result in the loss of some jobs held by PECO employees.

#### IV. EXPERT WITNESS HEARING

Thirteen parties presented written testimony in support of the Settlement Petition. Those parties include: PECO; Senator Fumo; CEPA, et al.; Epstein; PennFuture, et al.; East Brandywine Township; the City; OCA, PAIEUG; OTS; Clean Air Council, et al.; MAPSA; and Amtrak. Some of those testimonies will be referenced in the Discussion Section of this Recommended Decision.

Councilman Cohen and PPL, presented testimony in opposition to the Settlement Petition. Those testimonies are summarized below.

A. Councilman Cohen's Witnesses

Councilman Cohen sponsored written testimony by the following witnesses: himself (Councilman Cohen Statement No. 1); Dr. Ernest Sternglass (Councilman Cohen Statement No. 2); Dr. Janette Sherman (Councilman Cohen Statement No. 3); and Joseph Mangano (Councilman Cohen Statement No. 4).

1. Councilman Cohen

Councilman Cohen has been as a member of the City Council of Philadelphia for over 22 years. Councilman Cohen St. No. 1 at 1. He identified himself as a “leading environmental advocate in City Council” who has “long been aware of the threat to the public posed by the erection and operation of nuclear plants, and [has] done everything in [his] power to limit, if not eliminate, this threat.” Councilman Cohen St. No. 1 at 1.

Councilman Cohen testified that the merger raises the following three problems: (1) increased health problems caused by nuclear radiation; (2) “danger” to the economy of Philadelphia and Pennsylvania; and (3) “the likelihood that the benefits of deregulation will be undermined.” Councilman Cohen St. No. 1 at 2. However in his oral testimony provided at the hearing, Councilman Cohen testified that his major concern was in regard to the health and safety risks associated with nuclear power. (Tr. 419-420).

a. Nuclear Safety

Councilman Cohen referred to various studies which purport to link nuclear power to increased health risks. Councilman Cohen St. No. 1 at 2. One recent study, according to Councilman Cohen, showed that the “infant death rates near five U.S.

nuclear plants dropped drastically after the reactors closed.” Councilman Cohen St. No. 1 at 2. Another study, Councilman Cohen testified, showed that “near the Three Mile Island plant breast cancer ‘increased markedly following normal operation after start-up [of the plant] following the accident.’” Councilman Cohen St. No. 1 at 2.

Councilman Cohen testified that a merger of PECO and Unicom would result in an increased threat to public health and safety because of: (1) “the incentive to continue plants in operation since the amount of nuclear assets held under common ownership will immediately multiply upon completion of the regulatory process”; (2) the incentive to amass and earn interest on the reserves for decommissioning; and (3) the increased likelihood of breakdowns and costly repairs caused by increased reliance on old nuclear plants. Councilman Cohen St. No. 1 at 2 . To lessen the threat to public health and safety, Councilman Cohen recommended that the Commission require the terms and conditions of the merger to include: (1) a ban on extending the useful lives of PECO’s nuclear facilities beyond the estimated 30-year life of these plants; (2) the early retirement of unsafe nuclear facilities; (3) a determination and report on the present and future dangers of the merged companies’ facilities; (4) implementation of monitoring steps described in Joseph Mangano’s testimony and (5) capping the level of decommissioning expenses charged to ratepayers. Councilman Cohen St. No. 1 at 5.

b. Competition

Councilman Cohen testified that the Settlement Petition does not offer steep enough rate cuts. Councilman Cohen St. No. 1 at 3-4. He testified that deregulation in Illinois resulted in a 20% rate reduction to Unicom customers over 3 years. Councilman Cohen St. No. 1 at 3. However, according to Councilman Cohen, deregulation in Pennsylvania resulted in less than a 10% rate decrease to PECO customers. Councilman Cohen St. No. 1 at 3. Furthermore, Councilman Cohen testified, the Settlement Petition would provide only an additional 2.6% rate decrease in the first two years followed by an

additional 1.7% rate decrease in the next two years. Councilman Cohen St. No. 1 at 3-4. Councilman Cohen recommended that the merger be conditioned upon PECO providing “all of its residential, commercial and industrial ratepayers at least as high a percentage of guaranteed ongoing rate cuts as Unicom ratepayers received through Illinois electric deregulation.” Councilman Cohen St. No. 1 at 4, 6.

c. State and Local Economy

While congratulating the parties for obtaining a commitment from PECO to remain in Philadelphia for a number of years, Councilman Cohen testified that the period of time is not long enough. Councilman Cohen St. No. 1 at 4. Tied to this concern is Councilman Cohen’s fear that PECO will leave the City and State over time, and that the City and State will lose the benefits of the jobs PECO has provided, and the economic development and charitable investments PECO has made in the communities.

Councilman Cohen St. No. 1 at 4-5. Councilman Cohen testified that the merger should therefore be conditioned upon a commitment by PECO to: (1) maintain its current level of 1440 jobs at 2301 Market Street for as long as it owns the distribution system; and (2) maintain the charitable and civic role it has played in Philadelphia historically.

Councilman Cohen St. No. 1 at 5.

2. Dr. Sternglass

Dr. Sternglass is a Professor Emeritus in the Department of Radiology at the University of Pittsburgh, School of Medicine. Councilman Cohen St. No. 2 at 1. He has published 3 books or scientific papers concerning the health effects of exposure to radiation. Councilman Cohen St. No. 2 at 1-2.

In his testimony, Dr. Sternglass referred to various studies which conclude that radioactive releases from nuclear power plants may be linked to cancer and

mortality. Councilman Cohen St. No. 2 at 2. Those include: (1) a study performed by Belton A. Burrows and Thomas C. Chalmers of the Boston VA Medical Center which appeared in the November 1990 volume of the Annals of the New York Academy of Sciences; (2) a study performed following the Burrows and Chalmers study by the New York based Radiation and Public Health Project; (3) a study by the New York State Department of Health for the years 1978-87; and (4) a study performed by Dr. Sternglass entitled “Summary of Adverse Health Changes in Philadelphia Following Fission Product Releases From Three Mile Island, Limerick and Chernobyl Nuclear Plants.” Councilman Cohen St. No. 2 at 2-4. Dr. Sternglass recommended that “PECO... undertake continuing studies examining measures sensitive to radioactivity and comparing them to radioactive releases in its service territory.” Councilman Cohen St. No. 2 at 6.

3. Dr. Sherman

Dr. Sherman is a Research Associate at the City of New York, Radiation and Public Health Project. Councilman Cohen St. No. 3 at 1. Dr. Sherman has authored one book and 3 journal articles concerning nuclear power and public health. Councilman Cohen St. No. 3 at 1-2.

Dr. Sherman’s testimony concurs with the testimony provided by the other witnesses for Councilman Cohen including the Councilman himself. Dr. Sherman testified that studies show a linkage between the operation of nuclear power plants and their radioactive release, and cancer rates. Councilman Cohen St. No. 3 at 2-3. Dr. Sherman concluded her testimony by stating that operating nuclear power plants beyond their normal 30-year life span is a risk to public health because more radiation may be released as the plants wear out, and “statistically the longer these plants operate the greater the period for releases into the atmosphere the greater exposure of the population to radiation with its attendant health risks.” Councilman Cohen St. No. 3 at 2-3.

4. Mr. Mangano

Mr. Mangano is a Research Associate at the City of New York, Radiation and Public Health Project. Councilman Cohen St. No. 4 at 1. Mr. Mangano has published one book and written 6 articles on the subject of nuclear power and public health. Councilman Cohen St. No. 4 at 1.

Mr. Mangano's testimony is consistent with the testimony provided by the other witnesses for Councilman Cohen. He also refers to studies which link radioactive releases from nuclear power plants to cancer and mortality. Councilman Cohen St. No. 4 at 2-3. Mr. Mangano recommended that as a condition for approval of the merger, PECO and Unicom should be required to: (1) use sound methods in operating their nuclear facilities; (2) use an established method to objectively evaluate their nuclear plants and make needed changes; (3) employ an effective management system; (4) be financially viable and able to meet current and future expenses, including decommissioning costs; and (5) design "a detailed plan of how the merger will affect operations, management, and finances." Councilman Cohen St. No. 4 at 4.

B. PPL's Witness

1. Mr. Gioia

PPL sponsored the written testimony of Paul Gioia. (PPL Statement No. 1). Mr. Gioia is presently an attorney in the law firm of LeBoeuf, Lamb, Greene & MacRae in Albany, New York. PPL St. No. 1 at 1. He formerly served as Chairman of the New York State Public Service Commission for six years. PPL St. No. 1 at 1.

a. Settlements and Precedent

Mr. Gioia testified in regard to “the regulatory and public policy considerations related to the settlement of a contested proceeding, with specific reference to according precedential effect or evidentiary weight to the terms of the settlement agreement in future proceedings.” PPL St. No. 1 at 3.

Mr. Gioia testified that unless the Commission clearly states that the terms of a settlement agreement in a particular proceeding have no precedential effect or evidentiary weight in future proceedings, the settlement process will be adversely affected. PPL St. No. 1 at 5-9. Those adverse consequences include: (1) the reluctance of parties to agree to terms in one settlement which may be adverse to its interests in another settlement and (2) the intervention of parties in a proceeding solely for the purpose of protecting their interests against settlement terms in that case which might be adverse to the parties’ interest of offered in another case. PPL St. No. 1 at 5. For these reasons, Mr. Gioia testified, “the fact that a particular term was part of a settlement agreement approved by the Commission should not be considered in any way as a binding precedent in a subsequent proceeding nor should it be admitted as evidence in a subsequent proceeding.” PPL St. No. 1 at 7. In conclusion Mr. Gioia recommended that “the Commission expressly state that the terms [of the Settlement Petition] taken as a whole satisfy the public interest standard, but that the fact of the Commission’s approval does not render the individual terms of the agreement precedent or relevant or material evidence in any subsequent proceeding, and that the terms of any subsequent proposed reorganization, merger or other action will be considered on its own merits.” PPL St. No. 1 at 9.

## V. STANDARD OF LEGAL REVIEW

Both State statutes and case law provide the standards for the Commission's review of PECO's application to merge with Unicom. Because the merger transaction contemplates that PECO and a newly formed holding company (Exelon Corporation) will exchange common stock, the Applicant requires a certificate of public convenience from the Commission in order to effectuate the merger. See, 66 Pa. C.S. §1102(a)(3). Section 1103(a) of the Public Utility Code provides in pertinent part that:

A certificate of public convenience shall be granted by order of the commission, only if the commission shall find or determine that the granting of such certificate is necessary or proper for the service, accommodation, convenience or safety of the public. The commission in granting such certificate, may impose such conditions as it may deem to be just and reasonable.

66 Pa. C.S. §1103(a). Pennsylvania case law also provided the Commission guidelines in its determination of whether to grant a certificate of public convenience to a merger applicant. The Pennsylvania Supreme Court in the City of York v. Pa. P.U.C., 449 Pa. 136, 295 A.2d 825, 828 (1972) (City of York), stated that in order to receive a certificate of public convenience, the applicant must demonstrate "that the merger will affirmatively promote the 'service, accommodation, convenience or safety of the public' in some substantial way." City of York, 295 A.2d at 828.

In addition, State statute requires the Commission to consider whether PECO's proposed merger with Unicom will have an adverse impact on retail electric and gas competition. The Electricity Generation Customer Choice and Competition Act requires the Commission in the exercise of its authority to approve mergers involving electric utilities to consider "whether the proposed merger . . . is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market

power, which will prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive electricity market.” 66 Pa. C.S. §2811(e).

Similarly, the Natural Gas Choice and Competition Act requires the Commission in the exercise of its authority to approve mergers involving natural gas distribution companies to consider whether the proposed merger “is likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which will prevent retail gas customers from obtaining benefits of a properly functioning and effectively competitive retail natural gas market.”<sup>12</sup> 66 Pa. C.S. §2210.

Therefore in this case, the Commission must determine whether under the terms and conditions of the Settlement Petition, the proposed merger of PECO and Unicom, benefits the public in some substantial way. The Commission must also consider, under the terms and conditions of the Settlement Petition, whether the proposed merger will adversely impact retail electric and gas competition.

For the reasons provided below, I believe, based on the terms and conditions of the Settlement Petition, that the proposed merger of PECO and Unicom, benefits the public in a substantial way. I also believe, based on the terms and conditions in the Settlement Petition and the other evidence of record, that the proposed merger will not have an adverse impact on retail electric and gas competition. I therefore recommend that the Commission approve the Settlement Petition.

---

<sup>12</sup> The Natural Gas Choice and Competition Act also requires the Commission to consider the effect of the proposed merger “on the employees of the natural gas distribution company and on any authorized collective bargaining agent representing those employees.” 66 Pa. C.S. §2210. In this case, the impact of the proposed merger on PECO’s employees generally was considered as a part of the determination of whether the proposed merger is in the public interest.

## VI. DISCUSSION

Below, both the public input testimony and the expert witness testimony are discussed.

### A. Public Input Testimony

Some members of the public in their testimony at the public input hearings expressed concerns about, or opposition to, the Settlement Petition. However, I believe that the Settlement Petition is in the public interest, and should be approved. Below, I address the issues raised by those concerned about, or opposed to, the Settlement Petition.

#### 1. Employment

Some members of the public expressed concern about the possible loss of PECO jobs in Philadelphia due to the merger. However, the Settlement Petition provides that PECO will commit to maintaining a certain number of employees through January 1, 2008. PECO presently has approximately 1440 employees at 2301 Market Street in Philadelphia. Councilman Cohen St. No. 1 at 5. The Settlement Petition provides that PECO will maintain at that location the following levels of employees: 1325 through December 31, 2001; 1300 through December 31, 2002; 1275 through January 1, 2004, and 1100 through January 1, 2008. I believe that PECO's commitment to retain a significant level of employment in Philadelphia through January 1, 2008, is in the public interest. It is a reason why the Settlement Petition should be approved.

2. Workplace and Procurement Diversity

Concern was also expressed regarding the level of women and minority employment by PECO (including management level employment), and PECO's use of women and minority vendors.

*I believe that diversity in the workplace in the areas of employment and contracting, is a business imperative. The Commission said as much in its policy statement encouraging major jurisdictional utilities to design and implement programs which foster diversity in the workplace and in procurement. See, 52 Pa. Code §§69.801-69.809. Sections 69.801 and 69.803-69.804 of the Commission's policy statement provide:*

**§ 69.801. General.**

*From a business perspective, diversity should be associated with a company's business objectives and strategies. The Commission strongly believes that diversity is an economic reality that corporate entities must include in their corporate strategies now and in the future. The Commission intends to take the next step by encouraging major jurisdictional utility companies operating in this Commonwealth to incorporate diversity in their business strategy in connection with the procurement of goods and services.*

*\* \* \**

**§ 69.803. Guidelines for diversity development.**

*The Commission encourages major jurisdictional utility companies to implement diversity programs. This effort may include the following:*

- (1) The articulation of a corporate policy by the senior executives of the major jurisdictional utility company*

committing the utility to improving its level of diversity in the workplace and within its procurement process.

(2) The development and implementation of a corporate-wide diversity program with specified goals and objectives for each year.

(3) The appointment of utility managers to be responsible for the success of the program.

(4) The training of managers regarding implementing diversity initiatives in the areas of employment and contracting for goods and services.

(5) The location of qualified minority/women/persons with disabilities-owned business contractors and mentoring, partnering and training qualified women/minority/persons with disabilities-owned businesses contractors to serve the needs of the major jurisdiction utility company.

#### **§ 69.804. Contracting recommendations.**

The Commission recommends that major jurisdictional utility companies strive to take maximum efforts to provide that minority/women/persons with disabilities-owned businesses have an equal opportunity to compete for the purchase of equipment, supplies, services, fuels, materials, construction, professional services advertising and the like. The Commission encourages major jurisdictional utility companies to develop a diversity program which is designed to provide that a fair proportion of products and services contracts are offered to minority/women/persons with disabilities-owned businesses. It is recommended that the major jurisdictional utility companies adopt the general guidelines in §§69.805-69.808 in the development or enhancement of their diversity program relative to contracting for goods and services.

52 Pa. Code §§69.801, 69.803-69.804. PECO as well as all other major jurisdictional utilities are encouraged to follow the Commission's policy statement and guidelines

regarding diversity in the workplace and in the procurement process. This policy statement and the guidelines would continue to apply, even if the merger is approved, to PECO's operations in Pennsylvania which come under the Commission's jurisdiction.

The record before me contains no evidence regarding whether PECO is following the Commission's diversity guidelines, or the nature and effectiveness of any diversity programs it implements. The record also does not contain any evidence regarding any post-merger diversity plans which PECO may have. Therefore, I cannot assess whether or how the proposed merger would impact minority and women employment and contracting by PECO. However, the Settlement Petition offers many significant benefits to all members of the public. I therefore do not believe that approval of the Settlement Petition should be postponed in order to examine PECO's diversity practices or plans in this proceeding. I recommend that the Settlement Petition be approved so that all members of the public may begin to receive its benefits.

3. Charitable and Economic and Community Development Contributions

There was concern expressed at the public input hearings that the merger would adversely impact the level of PECO's charitable and economic and community development contributions. However, the Settlement Petition provides that PECO will maintain at least its current levels of charitable and civic giving and economic and community development contributions in Pennsylvania through 2003. I believe that such a commitment on the part of PECO inures to the benefit of the public, and is a reason why the Settlement Petition should be approved.

4. Reliability

Some members of the public expressed concern regarding the impact of the proposed merger on the reliability of PECO's service to its Pennsylvania customers.

The Settlement Petition provides that PECO is committed to improving its service reliability through the use of historical data and benchmarks and standards. Also, the Township Agreement provides that PECO is committed to designing and implementing a mutually acceptable Reliability Enhancement Plan for the purpose of improving service reliability in Wallace Township and East Brandywine Township. For both of the foregoing reasons I believe that the Settlement Petition is in the public interest.

5. Nuclear Safety

Concern was expressed at one of the public input hearings regarding nuclear safety. I first note that jurisdiction over nuclear power safety issues resides with the Nuclear Regulatory Commission (NRC). See, Energy Reorganization Act of 1974, Pub. L. No. 93 – 438, §§201-210, 88 Stat. 1233, 1243-1244 (1974); 42 U.S.C. §5841 et seq. Recognizing that the NRC has exclusive jurisdiction over nuclear safety issues, the Pennsylvania Public Utility Commission has not attempted to resolve those issues. See, Pa. P.U.C. v. Metropolitan Edison Co., 54 Pa.P.U.C. 276, 280-281 (1980); Re Metropolitan Edison Co., 65 Pa.P.U.C. 190, 197 (1987). Therefore, the NRC is the appropriate regulatory agency where nuclear power safety issues should be raised. However, the Settlement Petition does contain nuclear safety provisions. Those provisions are described below.

The Settlement Petition (Volume II, Appendix B), provides that Eric Epstein and the EMFR Monitoring Group, with the cooperation of PECO, will be

permitted to monitor radiation levels at the Peach Bottom Atomic Power Station. The Settlement Petition also provides that PECO will expend at least \$500,000 for the purpose of targeted research in the use of robotics in the topical areas of nuclear generation plant radiation exposure management and nuclear plant decommissioning technology. The Settlement Petition also provides that during the 5 year period of PECO's agreement with Mr. Epstein and the EMFR Monitoring Group, PECO will not store at the site of the Peach Bottom Atomic Power Station, spent fuel or radioactive waste from any other nuclear reactor.

The above-referenced nuclear safety provisions in the Settlement Petition do not address or resolve all of the nuclear safety issues which were raised in this proceeding. Interested parties may raise with the NRC, those nuclear safety issues not addressed or resolved by provisions in the Settlement Petition. However, I believe that the nuclear safety provisions which are in the Settlement Petition, are in the public's interest, and are a reason why the Settlement Petition should be approved.

#### 6. Competition

Concern was expressed that the proposed merger would harm retail electric competition. However, as set forth in detail at Section II(A)(7) of this Recommended Decision, the Settlement Petition provides numerous provisions which promote retail electric competition. Those provisions significantly benefit the public and are another reason why the Settlement Petition should be approved. I also note that PECO witness William H. Hieronymous presented unrefuted testimony that the loss of Commonwealth Edison Company ("ComEd" is a subsidiary of Unicom) as a competitor in the Pennsylvania electric market, is of little effect since ComEd has had almost no participation in the Pennsylvania market. PECO St. No. 5 at 5.

B. Expert Witness Testimony

1. PPL Testimony

a. Effect of Settlements

In his testimony, PPL witness Paul Gioia inferred that PPL is concerned that if the Commission finds the terms and conditions in the Settlement Petition in this case acceptable, the Commission and/or parties will impose upon PPL in any subsequent proceedings in which PPL is the subject of a merger or reorganization, provisions from the present Settlement Petition which PPL would find objectionable if applied to it. PPL St. No. 1 at 3-9. Mr. Gioia testified that if the Commission adopted the following recommendation of his, then PPL's concerns would be alleviated. He stated:

I would respectfully recommend that, if the terms of the settlement agreement are acceptable to the Commission, the Commission expressly state that the terms taken as a whole satisfy the public interest standard, but that the fact of the Commission's approval does not render the individual terms of the agreement precedent or relevant or material evidence in any subsequent proceeding, and that the terms of any subsequent proposed reorganization, merger or other action will be considered on its own merits. Such a statement by the Commission would give a clear signal to the utilities in Pennsylvania, and interested parties in Pennsylvania and in other states, that the Commission will not mandate any specific terms in a future transaction merely because they were accepted in a previous settlement, and will consider any proposed transaction on its own merits.

PPL St. No. 1 at 9. (emphasis supplied). In its brief, PPL modified its proposal to read:

To address these concerns, PPL Utilities urges the Commission to amend the Joint Petition to preclude the use of

its terms as evidence, as well as precedent, in other proceedings. Accordingly, PPL Utilities proposes that the following provision be added to the Joint Petition:

The fact that a provision is included in the Joint Petition shall not constitute or be cited as relevant or material evidence in support of the adoption of such provision in any other proceeding, including, but not limited to, a proceeding to reopen or modify another Pennsylvania public utility's settlement of its retail restructuring proceeding under the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §2801, *et seq.*

Such a provision will protect the procedural rights of other public utilities and promote the use of settlements to resolve important and complex public utility proceedings.

PPL I.B. at 3.

The Settlement Parties, however, argued that paragraph 72 of the Settlement Petition should allay PPL's concerns. Paragraph 72 of the Settlement Petition provides:

72. **Other Proceedings.** Acknowledging that it is expressly understood and agreed that the Settlement constitutes a negotiated resolution solely of issues addressed herein, the Merger and the Corporate Restructuring, the Joint Petitioners agree that this Settlement shall not constitute or be cited as controlling precedent in any other proceeding, including a proceeding involving a merger or an acquisition by another Pennsylvania electric utility.

The Settlement Parties believe that Paragraph 72 clearly provides that the Settlement Petition will not serve as controlling precedent in any subsequent proceedings.

They believe that PPL's proposed language is too restrictive and therefore should be rejected. OCA I.B. at 30-34; PECO I.B. at 19-23.

I first note that the Commission encourages settlements. 52 Pa. Code §5.231. The Commission has stated:

In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

52 Pa. Code §69.401.<sup>13</sup> A settlement represents the agreement of parties on certain terms and conditions in resolution of previously contested issues. The parties to a settlement determine its terms and conditions to which they agree to be bound. The parties are neither required nor restrained from including in their settlement document any terms or conditions contained in the settlement document from another proceeding. If any party objects to the inclusion or omission from the settlement document of any term or condition, including any provisions from a prior settlement document, then that party has the right not to sign-off on the settlement document, and to continue to litigate. That is what PPL has chosen to do in this proceeding,<sup>14</sup> and it may also do that in any subsequent proceeding where it is the subject of a merger or reorganization.

When a settlement agreement is presented to the Commission for approval, the Commission will review the document and determine whether its terms and conditions are in the public interest. In its review, the Commission may modify the

---

<sup>13</sup> See, "Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy," 52 Pa. Code §§69.401-69.406.

<sup>14</sup> Councilman Cohen also objected to the Settlement Petition and decided to continue to litigate this matter.

agreement if it believes that modification of the agreement is in the public interest. Modification of the agreement may include the Commission's inclusion of some terms and conditions from a prior settlement agreement in another proceeding, if the Commission believes it is justifiable and warranted. I note that settlement documents often provide that parties may withdraw from the settlement if it is modified by the Commission. Such a provision appears at paragraph 69 of the Settlement Petition in this case.

I also note that if the Commission approves the Settlement Petition in this case, which is my recommendation, then it would also be approving paragraph 72 of the Settlement Petition. Paragraph 72 of the Settlement Petition provides that the Settlement Petition in this case does not constitute controlling precedent and cannot be cited as such in any other proceeding, including a proceeding involving a merger or an acquisition by another Pennsylvania electric utility. Therefore, in any subsequent litigated proceedings, parties may not cite to the provisions of the Settlement Petition as if those provisions bind the Commission to impose the same provisions in all subsequent proceedings.

I believe that Paragraph 72 of the Settlement Petition adequately meets PPL's legitimate concerns, and is in the public interest. However, I do not believe that it is in the public interest to adopt PPL's recommended wording since such language may be interpreted as restricting parties in subsequent proceedings from even recommending provisions from prior settlements, and also restricting the Commission from modifying settlements to include provisions from prior settlements when it is in the public interest to do so. Therefore, I reject PPL's recommendation in regard to this matter as being contrary to the public's interest.

b. Other Issues Raised by PPL in its “Objections to the Settlement Petition”

In its “Objections to the Settlement Petition” (Objections) filed on April 12, 2000, PPL raised several issues in addition to the one which I addressed above. In its other arguments, PPL seemingly attacks those provisions in the Settlement Petition which it might find objectionable if those provisions were applied to it in a future proceeding. However, PPL is not directly and immediately affected by those Settlement provisions in this case. Therefore, PPL lacks standing to contest those provisions of the Settlement Petition in this case. Commission regulations provide that: “A protest to an application shall on its face set out clearly and concisely the facts from which the alleged interest or right of the protestant can be determined, the grounds of the protest and the facts establishing protestant’s standing to protest.” 52 Pa. Code §5.52(a). Commission case law provides that in order to have standing, a party must have a direct, immediate and substantial interest in a matter. See, Investigation into Equitable Gas Company’s Revenue Allocation Among Transportation Customers, I-900009 (Order entered January 16, 1992); Re L & H Trucking Company, Inc., 55 Pa. PUC 469 (1982); Pennsylvania Petroleum Association v. Pennsylvania Power & Light Company, 32 Pa. Commw. Ct. 19, 377 A.2d 1270 (1977); aff’d 488 Pa. 308, 412 A.2d 522 (1980). PPL has not shown a direct and immediate interest in the other issues it raised.

However, even though I could dismiss PPL’s “other issues” on the basis that it lacks standing to raise them, I will nonetheless address them below.

(1) The Settlement Petition is Supported by Substantial Evidence

In its objections PPL argued that the Settlement Petition should be rejected because it was not supported by substantial evidence. PPL Objections at 18. However, subsequent to PPL’s submission of its Objections, an evidentiary hearing was held on May

10, 2000. At the evidentiary hearing, an abundance of evidence in support of the various provisions in the Settlement Petition was admitted into the record. See, Parties Exh. No. 1. PECO in its Initial Brief included a chart detailing the nature of the testimony and exhibits submitted by the various parties in support of the Settlement Petition. PECO I.B. at 16-18. Therefore, I reject PPL's argument that the Settlement Petition lacks evidentiary support.

(2) The Rate and Reliability Provisions are in the Public Interest

In its Objections, PPL argued that the rate reductions and the extension of the rate cap provided in the Settlement Petition, are contrary to Commission policy, speculative, unsubstantiated, and could harm the level of service provided by PECO. PPL Objections at 20-21. However, PPL produced no evidence that the Commission as a matter of policy rejects settlements which include rate reductions and rate cap extensions in merger proceedings. To the contrary, the Commission has ordered such rate reductions. The OCA in its Initial Brief noted as follows:

The use of rate reductions and rate cap extensions as a means of providing affirmative merger benefits to ratepayers is completely consistent with applicable law and Commission policy. In the Commission's Order regarding the proposed merger of Allegheny Power Company (APS) and Duquesne Light Company (Duquesne), the Commission specifically directed that 100% of the identified merger savings for distribution and generation be flowed back to the ratepayers of Duquesne and APS. Joint Application of DQE, Inc., Allegheny Power Systems, Inc. and AYP Sub, Inc. for Approval Of The Transfer By Merger Of The Property Rights of Duquesne Light Company To Allegheny Power Systems, 186 PUR 4<sup>th</sup> 39, 57-58 (Order entered May 29, 1998). For the distribution-related merger savings, the Commission directed both Duquesne and West Penn to reduce their distribution rates beginning in the year of merger consummation. For the generation-related savings, the Commission directed that it be

used as an offset to stranded cost in each utility's then pending restructuring proceeding. Id.

OCA I.B. at 10-11. Also as noted by OCA, PECO is financially able to reduce retail distribution rates and extend the cap on retail transmission and distribution charges<sup>15</sup> because of the tremendous savings it claims it will achieve as a result of the merger.<sup>16</sup>

OCA I.B. at 9. See also, the testimony of PECO witness Thomas J. Flaherty "Regarding Estimated Regulated Cost Savings" (PECO St. No. 4). What's more, the Settlement Petition and the Township Agreement provide that PECO notwithstanding the rate reductions and rate cap, is committed to improving the reliability of its service.

Relatedly, the Court in the City of York provides:

We agree with complainants that the Commission should consider, at least in a general fashion, the effect that a proposed merger is likely to have on future rates to consumers. Along with the likely effect of a proposed merger upon the service that will be rendered to consumers, the probable general effect of the merger upon rates is certainly a relevant criteria of whether the merger will benefit the public.

City of York, 295 A.2d at 829.

---

<sup>15</sup> PPL also argued that PECO may not be able to meet any obligation to the Federal Energy Regulatory Commission (FERC) "to construct additional transmission both to maintain reliability and to accommodate the increase in wholesale and retail competition," if it provides the rate cuts and extends the rate cap as stated in the Settlement Petition. PPL Objections at 22. However, PECO noted that Section 11 of the Settlement Petition gives continuing force and effect to Paragraph 21 of the 1998 Electric Restructuring Settlement, which provides an exception to the rate cap where: "The electric distribution utility is directed by the commission or an independent system operator or its functional equivalent to make expenditures to repair or upgrade its transmission or distribution system." See, PECO I.B. at 13-14.

<sup>16</sup> PECO witness Thomas J. Flaherty estimated that over the period from 2001-2005, the merger will result in an average annual net regulated savings of approximately \$66 million. Exh. TJF-2 to PECO St. No. 4.

For all of the foregoing reasons, I find that the rate reduction and rate cap provisions of the Settlement Petition are in the public interest. I therefore reject PPL's argument in regard to this matter.

(3) Nuclear Safety Issues Come Under the Jurisdiction of the Nuclear Regulatory Commission

Paragraph 13 of the Settlement Petition provides in pertinent part:

However, PECO agrees that if and when it seeks to increase its annual nuclear decommissioning expense allowance above the base \$29.162 million annual accrual level use for the purpose of calculating its Nuclear Decommissioning Cost Adjustment Charge ("NDCAC"), it will, under specifically defined circumstances as set forth in the Distribution Tariff attached as Appendix A, voluntarily forego recovery of (1) \$50 million of its total decommissioning cost obligations, plus (2) 5% of any additional increase in the annual accrual level above the base \$29.162 million annual accrual level.

PPL argued that there is no evidence of record that PECO will be able to fully and safely decommission its nuclear facilities if it abides by Paragraph 13 of the Settlement Petition. PPL Objections at 23. However, as PECO pointed out, nuclear safety issues fall within the exclusive jurisdiction of the Nuclear Regulatory Commission (NRC).<sup>17</sup> PECO I.B. at 14-15. See, Pacific Gas & Electric Corp. v. State Energy Resource Conservation and Development Commission, 461 U.S. 190, 212-213 (1983). See also,

---

<sup>17</sup> PECO also noted anecdotally:

PPL's alleged concerns are inexplicable, inasmuch as provisions of the Settlement limiting PECO's right to request recovery of decommissioning expense in excess of rate-embedded levels are modeled after similar provisions of PPL's Restructuring Settlement. PPL's claim that this provision may not be in the public interest, on its face, seem to impugn settlement terms that PPL itself has previously approved. PECO I.B. at 15 n. 6.

Re Metropolitan Edison Co., 65 Pa. P.U.C. 190, 197 (1987) (wherein the Pennsylvania Public Utility Commission stated that it has no jurisdiction over the safety aspects of a decommissioning program). That jurisdiction, the Commission stated, is held by the NRC. Id.

PPL's concerns regarding the safety aspects of PECO's decommissioning program fall outside the jurisdiction of the Commission. The NRC has jurisdiction over such matters.

(4) The Development of Solar and Wind Power is in the Public Interest

PPL took exception to those provisions in the Settlement Petition which require PECO to make monetary contributions to Community Energy, Inc. (CEI) and the Sustainable Development Fund (SDF). PPL Objections at 24-25. Those contributions are to assist CEI and SDF in the development of solar and wind power.

As Clean Air Council et al. witness Andrew Altman testified, the promotion of renewal energy such as solar and wind is in the public interest. Mr. Altman provided the following testimony in regard to the benefits of wind power:

**Q. Why is it in the public interest for a portion of merger savings to be dedicated to wind generation investments?**

A. Wind power is an environmentally benign energy resource which is renewable and largely untapped in Pennsylvania. Wind power is becoming increasingly competitive on a kilowatt installed basis, and is now the fastest growing source of power in the world.

Pennsylvania residents are greatly in need of relief from health-threatening air pollution. Nationwide, approximately 29% of nitrogen oxides come from power plants and 66% of

sulfur dioxide emissions are emitted from power plants. Because of Pennsylvania's heavy reliance on coal-fired power plants and the minimal overall sulfur dioxide emissions controls on its power plants at this time, the figure in the prior sentence is likely to be quite conservative. Nitrogen oxide forms ozone smog. Both sulfur dioxide and nitrogen oxide cause acid rain and haze. According to a recent report by U.S. Public Interest Research Group which compiled EPA emissions data, Pennsylvania plants release more sulfur dioxide than plants in any state but Ohio. The same report indicates that Pennsylvania power plants release more mercury to the air than the plants in any other state. Mercury is a neurological and developmental toxin. Since coal-fired power production is a major source of such pollution, it follows that wind generation displacing a more polluting source of energy will benefit the public health.

Because it is a relatively new technology in application in the Eastern United States, finding sufficient capital to meet the expanding markets for wind generation has not been easy. The supply of wind power has been unable to keep up with the demand from customers. The \$12 million for wind generation can be used to leverage private investment and satisfy a need for financing of merchant wind power projects to serve the competitive market.

In addition to the direct environmental benefits, wind also helps diversify the generation mix in Pennsylvania and provides a mitigation against higher fuel prices or tighter environmental regulations. For example, if natural gas prices rise substantially or if environmental regulations on coal-fired generation significantly tighten, wind will likely become a highly cost effective resource. Investments in wind energy now help identify the best wind sites and give utilities and system operators experience with the resource.

Finally, wind provides economic development benefits. Wind projects built in Pennsylvania can add revenues for farmers and other landowners and contribute to the tax base for rural communities.

Clean Air Council, et al. St. No. 1 at 3-4. And with respect to the benefits of solar power, Mr. Altman presented the following testimony:

**Q. Why is it in the public interest for a portion of merger savings to be dedicated to residential solar photovoltaic (PV) units?**

A. Solar PV technology is an environmentally benign renewable energy resource which continues to become more efficient and more affordable. Panels of solar photovoltaic cells would convert sunlight directly to electricity on the rooftops of homes and small businesses under this program. The public benefits of this technology lie in the displacement of air pollution causing forms of energy production and the delivery of power to the grid at peak times, thereby reducing the need for construction of new, polluting central power plants for peak operation. When electrical demand peaks, typically on the hottest days of summer, solar PV rooftop units will be producing electricity at or near capacity.

The units funded in this Joint Settlement are of sufficient number to spark interest in PV units among the public and among manufacturers, dealers, installers and maintenance businesses. This type of infrastructure investment is a necessary component of a successful entry of solar power into the Pennsylvania competitive market.

Clean Air Council et al. St. No. 1 at 7.

I also note that Clean Air Council et al. stated in its Reply to PPL's Objections, that CEI and SDF are the appropriate entities to receive the funding for the development of wind and solar generation because "these entities are the only ones of their kind qualified to carry out the programs in the PECO service territory." Clean Air Council et al. Reply at 3.

For all of the foregoing reasons, I find that those provisions of the Settlement Petition which require PECO to make monetary contributions to CEI and SDF for the development of wind and solar generation is good for the environment, and is in the public interest. I therefore reject PPL's argument with regard to this matter.

(5) The Competitive Default Service Provisions of the Settlement Petition Promote Competition

PPL expressed "particular concern" that the terms of the Settlement Petition with regard to the Competitive Default Service auction process may be inconsistent with the Electric Competition Act and the 1998 Restructuring Settlement. PPL Objections at 26-27. PECO presented the following argument in response to PPL's concern:

Finally, PPL argues that changes in PECO's CDS auction process may violate the Competition Act as a "forced assignment" of customers to an EGS, contrary to the "anti-slammings" provisions of the Competition Act. At the outset, the principal change to the CDS process made by the Settlement would be to permit an auction of the obligation to provide generation service, while keeping the customer care functions with PECO. If anything, this revision would make implementing CDS even more transparent, and less like a "forced assignment," than the original provisions of PECO's 1998 Electric Restructuring Settlement, which PPL signed. Moreover, PPL's argument is the same as that advanced by a dissenter to GPU's Electric Restructuring Settlement. In *George v. Pa. P.U.C.*, *supra*, the Commonwealth Court rejected that argument and found that "the competitive bidding process [for CDS] does not violate the Competition Act." 735 A.2d at 1288.

PECO I.B. at 15. PECO's argument in response to PPL's concern is sound and persuasive. I believe that it adequately addresses PPL's concerns. I also find that the CDS provisions of the Settlement Petition are in the public interest.

(6) The Large Customer Agreements are in the Public Interest

PPL argued in its Objections that the record is devoid of evidence which supports PECO's agreements with large customers such as the City of Philadelphia and Amtrak. PPL Objections at 28. However, substantial record evidence does exist to support PECO's agreements with the City and Amtrak. The City stated as follows in its Initial Brief:

The Joint Petition also addresses the City's concern that the current rate structure for street lighting discriminates against the City. Currently, the City is the only customer to pay for street lighting under Rate SL-P, since all other municipalities pay for substantially identical service under PECO's SL-E tariff. See Miller Testimony, p. 3. Significantly, the SL-P rate has a substantially higher customer charge, and each street light is a separate "customer". Moreover, after the City entered into its contract, the SL-E tariff was reduced to an effective rate almost 20% lower than the base SL-P tariff. See id. The Joint Petition addresses these concerns by permitting the City to take Rule 4.6 Streetlight Service, pursuant to tariff Rate SL-P, with an 11.2% discount applied to the total charges for Streetlight Service each month from the close of the merger until June 30, 2001. During this time, PECO will file, with the PUC, a request to eliminate tariff Rate SL-P, and on July 1, 2001, the City's Rule 4.6 Streetlight Service will be switched to tariff Rate SL-E. See Joint Petition for Settlement (Volume 1), Appendix G, p. 1.

The Joint Petition provides additional benefits by allowing the City to install combined natural gas/electric chillers, under certain conditions, without penalty or reduction to the City's current Rule 4.6 contract discounts. See id. at p. 3.

\* \* \*

The Joint Petition provides significant benefit to the City, as well as the City's taxpayers, who are also PECO ratepayers. The Settlement resolves issues surrounding the interpretation of the City's 4.6 contract. The Joint Petition also eliminates discrimination against the City with respect to the application of PECO's street lighting rates.

City I.B. at 4-5.

Amtrak in its Reply to PPL's Objections stated as follows in regard to the reasonableness of its agreement with PECO:

PPL briefly refers to the fact that in this settlement, "PECO has offered Amtrak the option of, and has asked the Commission to approve" a provision giving Amtrak the option to buy out any obligation to pay CTCs [competitive transition charges] under PECO's existing rate schedule. (PPL Objections at 28). PPL argues that this lump sum buy-out provision has not been shown to be "just and reasonable and non-discriminatory." (Id.)

For the reasons explained above, PPL does not have standing to pursue this claim. Here again, this utility questions a provision of the settlement having no impact whatsoever on PPL. The only parties even potentially affected by this lump sum buyout provision are the other industrial and commercial customers of PECO, which are, or will be, grouped with Amtrak for CTC reconciliation purposes. Yet all groups and State agencies representing PECO's industrial and commercial ratepayers have joined the PECO-Unicom settlement and therefore are supporting the lump sum buyout provision applicable to Amtrak.

In addition, in the years ahead, if Amtrak exercises one of the options granted by PECO, and if that reduces Amtrak's energy costs, this cost reduction would certainly be in the public interest. Amtrak itself serves the public by providing intercity passenger service both on the Northeast Corridor between Washington, D.C. and Boston and elsewhere in the United States and Canada. Amtrak also operates its own

interstate electric transmission system along the Northeast Corridor and supplies traction power to SEPTA and other commuter authorities operating on and off the Corridor. Ultimately, if Amtrak is able to reduce its costs, the beneficiaries will be the members of the public who rely upon Amtrak, SEPTA, and the other commuter authorities supplied by Amtrak.

Nor is there any basis for PPL's concerns about whether the buy-out provision is "just and reasonable" and "non-discriminatory." The buy-out provision simply implements existing provisions in the 1998 Restructuring Settlement and in the Electric Competition Act. For large industrial customers such as Amtrak, those provisions expressly authorize the negotiation of CTC buy-outs, subject to approval by the Commission. The Commission itself approved the buy-out clause in the 1998 Restructuring Petition and recognized that it was in the public interest to offer a lump sum payment option. In the proceeding, the PECO-Unicom settlement provides specific buy-out amounts for Amtrak, but does not preclude other eligible customers from negotiating buy-outs with PECO on reasonable terms. Accordingly, there is nothing even remotely discriminatory about this provision.

Amtrak Reply at 8-9 (footnote omitted).

As evidenced from the above-referenced arguments of the City and Amtrak, there is substantial evidence of record which supports their agreements with PECO. Those parties have clearly shown that their agreements with PECO are in the public interest. They have also shown that PPL's argument in regard to their agreements is without merit. I will therefore reject PPL's argument in regard to this matter.

2. Councilman Cohen Testimony

a. The Nuclear Regulatory Commission has Jurisdiction over Nuclear Safety Issues

Councilman Cohen testified that his primary concern in this proceeding is the health and safety risks posed by nuclear power plants. (Tr. 419-420). In his own testimony, as well as in the testimony of his three other witnesses, Councilman Cohen through references to various scientific literature and epidemiological studies, attempted to show a linkage between nuclear power plants and increased incidents of cancer and infant mortality. In order to limit the risk to the public of exposure to radioactivity from PECO's nuclear power plants, Councilman Cohen has recommended: (1) a ban on extending the useful lives of PECO's nuclear facilities beyond the estimated 30-year life of these plants; (2) the early retirement of unsafe nuclear facilities; (3) a determination and report on the present and future dangers of the merged companies' facilities; (4) implementation of steps to monitor the operation and decommissioning of PECO's nuclear plants; and (5) capping the level of decommissioning expenses charged to ratepayers. Councilman Cohen St. No. 1 at 5; Councilman Cohen St. No. 4 at 4.

The effects of nuclear power on the public's health and safety, is a subject of continuing debate and controversy. The Pennsylvania Public Utility Commission, however, has neither the jurisdiction nor the expertise to address this issue. The Nuclear Regulatory Commission (NRC) has the jurisdiction and the expertise to address this issue. The NRC defines itself as "an independent agency established by the U.S. Congress under the Energy Reorganization Act of 1974 to ensure adequate protection of the public health and safety, the common defense and security, and the environment in the use of nuclear materials in the United States." NRC website at <http://www.nrc.gov/NRC/about.html>. See, also, Energy Reorganization Act of 1974, Pub. L. No. 93-438, §§201-210, 88 Stat. 1233, 1243-1244 (1974); 42 U.S.C. §5841 et

seq. See also, Pacific Gas & Electric Co. v. State Energy Resource Conservation and Development Commission, 461 U.S. 190, 52 P.U.R. 4<sup>th</sup> 169 (1983) (Pacific Gas & Electric Company). In Pacific Gas & Electric Company, the U.S. Supreme Court stated:

But as we view the issue, Congress, in passing the 1954 act [Atomic Energy Act of 1954] and in subsequently amending it, intended that the federal government should regulate the radiological safety aspects involved in the construction and operation of a nuclear plant, but that the states retain their traditional responsibility in the field of regulating electrical utilities for determining questions of need, reliability, cost, and other related state concerns.

Pacific Gas & Electric Company, 52 P.U.R. 4<sup>th</sup> at 176. Therefore, the NRC regulates the health and safety aspects of nuclear power. The NRC's scope of responsibility includes, inter alia, regulation of commercial nuclear power reactors and the transport, storage and disposal of nuclear materials and waste. 42 U.S.C. §5841 et seq. The NRC studies the risks of exposure to radioactivity from nuclear power plants. Id. The NRC promulgates regulations restricting exposure to radiation from power plants. Id. The NRC reviews nuclear plant applications and issues construction permits and operating licenses for new units. Id. The NRC is responsible for determining whether the operation of a nuclear plant may be extended after the expiration of its operating license. Id. The NRC regulates the decommissioning of nuclear plants. Id.

The Pennsylvania Public Utility Commission has recognized that the NRC has exclusive jurisdiction over nuclear safety matters. In Pa. P.U.C. v. Metropolitan Edison Co., 54 Pa. P.U.C. 276 (1980), the Commission stated:

The commission is acutely aware of the substantial, continuing public debate over whether or not radiological dangers exist at Three Mile Island. This record contains many allegations concerning Met Ed's responsibility for the construction, maintenance, operation, and cleanup of the

Three Mile Island nuclear units. To the extent that these allegations relate to the safety of the people in Pennsylvania, this commission is required to recognize that the federal government has completely preempted the states in the licensing and regulation of the commercial use of nuclear reactors and in the protection of the public from radiological hazards. *Northern States Power Co. v. Minnesota* (CA8th 1971) 90 PUR3d 401, 447 F2d 1143, affd mem (1972) 504 US 1035.

54 Pa. P.U.C. at 280. And in *Re Metropolitan Edison Co.*, 65 Pa. P.U.C. 190 (1987), the Commission stated:

In the absence of such details, the various proposals for an independent inspector are troublesome, particularly since this Commission has no jurisdiction over the safety aspects of the Saxton decommissioning program. The federal government has occupied the field of nuclear safety via the Atomic Energy Act, thus preempting state regulation of the same subject matter. *Pacific Gas & E. Co. v. State Energy Resources Conservation & Develop. Commission*, 461 U.S. 190, 212, 52 PUR4th 169, 75 L.Ed.2d 752, 103 S.Ct. 1713 (1983).

65 Pa. P.U.C. at 197. Therefore, for all of the foregoing reasons, the appropriate forum for Councilman Cohen's concerns regarding nuclear safety is the NRC.

- b. The Commitments to Rate Reductions, Economic Development, Charitable Contributions and Employment are in the Public Interest

Councilman Cohen opined that the Settlement Petition does not go far enough in certain areas. He testified that PECO should be required to commit to deeper rate cuts. Councilman Cohen St. No. 1 at 3-4. He also testified that PECO should be required to commit to remaining in Philadelphia and maintaining its current level of

employment over a greater period of time. Council Cohen St. No. 1 at 4. He further testified that PECO should be required to commit to maintaining its current level of contributions to economic development and charitable giving in Philadelphia.

In the Settlement Petition, PECO has agreed to reduce retail electric distribution rates by a total of \$200 million over a four year period ending December 31, 2005. It has also agreed to extend the cap on its retail transmission and distribution charges for an additional 18 months or until December 31, 2006.

The Settlement Petition also provides that PECO will maintain the corporate headquarters for its distribution business in Philadelphia through at least January 1, 2008. PECO also commits to maintaining the following level of employment at 2301 Market Street: 1325 through December 31, 2001; 1300 through December 31, 2002; 1275 through January 1, 2004; 1100 through January 1, 2008. PECO additionally agrees to maintain at least current levels of charitable and civic giving and economic and community development contributions in Pennsylvania through 2003.

Councilman Cohen has raised legitimate concerns about the impact of the proposed merger on Pennsylvania in general and the Philadelphia region in particular. However, through the settlement process, PECO has made numerous commitments which I believe will contribute substantially to the economic well-being of Pennsylvania in general and the Philadelphia region in particular. Certainly, if PECO can give more, then it should consider giving more. However, the test is not whether PECO has given all that it can give, but rather whether PECO has demonstrated that the proposed merger “will affirmatively promote the service, accommodation, convenience, or safety of the public in some substantial way.” See, City of York, 295 A.2d at 828. I find that PECO and the other Joint Petitioners have demonstrated that on the basis of the entire Settlement Petition, the public will receive substantial benefits from the merger. I therefore recommend that the Settlement Petition be approved.

C. The Settlement Petition Provides Substantial Benefits To The Public And Promotes Retail Competition

For the reasons set forth in detail above, I believe that the Settlement Petition is just and reasonable and that it will provide substantial benefits to the public. The substantial benefits include, but are not limited to, the following:

1. Retail electric distribution rates will be reduced by a total of \$200 million over the four year period ending December 31, 2005.
2. Retail transmission and distribution charges will be capped for an additional 18 months or until December 31, 2006.
3. PECO will not seek to recover through Pennsylvania retail electric distribution rates, the costs associated with the ownership and operation of any nuclear generating plants which PECO did not hold on December 31, 1999.
4. PECO commits to a Quality of Service Plan designed to provide higher levels of reliability and customer service in PECO's service territory.
5. PECO agrees to provide \$1.3 million per year for 2001 and 2002 to the county fuel fund agencies in each county in PECO's electric service territory that currently administer fuel grants.

6. PECO agrees to increase the level of participation in its CAP Rate Program (for payment troubled, low income customers) from 100,000 to 125,000 customers.
  
7. PECO agrees to contribute substantial dollars to two entities involved in developing wind and solar power.
  
8. In order to promote competition, PECO agrees to provide electric generation suppliers with customer information in a timely fashion, resolve disputes in an abbreviated process, stop marketing itself as a Provider of Last Resort until January 1, 2004, and make certain revisions to the Competitive Default Service auction process.
  
9. PECO agrees to maintain the corporate headquarters for its distribution business in Philadelphia through at least January 1, 2008.
  
10. PECO agrees to maintain employment at 2301 Market Street in Philadelphia at no less than the following levels: 1325 through December 31, 2001; 1300 through December 31, 2002; 1275 through January 1, 2004; and 1100 through January 1, 2008.
  
11. PECO agrees to maintain at least current levels of charitable and civic giving and economic and community development contributions in Pennsylvania through 2003.

12. PECO agrees to work with the Townships of East Brandywine and Wallace to develop a plan to improve reliability in the Townships.

Thus, the Settlement Petition will result in reduced retail electric distribution rates and stable retail transmission and distribution charges over a period of time. It will also result in electric service which is more reliable and of a higher quality. (The Township Agreement should also result in more reliable electric service to the Townships of East Brandywine and Wallace). The Settlement will result in assistance to more payment troubled, low income customers. The Settlement also promotes a cleaner environment. The Settlement Petition further provides that PECO will commit to a certain level of employment, economic development and charitable giving in the Philadelphia region over a certain period of time.

Additionally, the Settlement will result in greater retail electric and gas competition. PECO will provide electric and gas competitors with greater and more timely access to customer information. Electric competitors will also be able to bid to become a default service provider.

Evidence of record also provides that the merger will not result in the unlawful exercise of market power. PECO witness William H. Hieronymus presented unrefuted testimony that since Commonwealth Edison Company (the electric utility which is a subsidiary of Unicom) “has almost no participation in the Pennsylvania markets, its elimination as an independent competitor has no material effect.” PECO St. No. 5 at 7. Dr. Hieronymus also noted that the merger will not effect the retail natural gas market in Pennsylvania since “Unicom does not own or control a natural gas system or participate in Pennsylvania gas markets in any way.” PECO St. No. at 7.

For all of the foregoing reasons, I find that the Settlement Petition will result in substantial benefits for the public. I also find, on the basis of the Settlement Petition, that retail electric and gas competition will not be adversely affected by the merger of PECO and Unicom. I therefore recommend approval of the Settlement Petition and as written.

I also find that the Township Agreement is just and reasonable and in the public interest, and I recommend that it be approved as written.

## VII. FINDINGS OF FACT

1. The Settlement Petition promotes the interests of various segments of the public including, but not limited to, consumers, municipalities, businesses, workers, environmentalists, community developers, charities, civic groups and utilities.

2. The Settlement Petition fosters retail electric and gas competition. (Settlement Petition at Section F).

3. The findings required under Section 32(c) of the Public Utility Holding Company Act (“PUCHA”) (15 U.S.C. §793-5(a)(c)) for the GenCo to be eligible for Exempt Wholesale Generation (“EWG”) status are hereby made, namely, that PECO’s transfer of generating assets, liabilities and power contracts to a newly formed corporate affiliate GenCo (1) will benefit customers, (2) is in the public interest, and (3) does not violate Pennsylvania law.

4. The findings required under Section 32(k) of the Public Utility Holding Company Act (“PUCHA”) (15 U.S.C. §793-5a(k)) with respect to purchases of power from GenCo, as governed by the Competitive Safeguards set forth in Appendix G to PECO’s 1998 Electric Restructuring Settlement, are hereby made, namely, that (1) the

Commission possesses sufficient regulatory authority, resources and access to books and records of PECO and any relevant associate, affiliate or subsidiary company to exercise its duties under Section 32(k), and (2) the purchase by PECO of energy and capacity from an affiliated EWG GenCo will benefit customers, does not violate Pennsylvania law, would not provide the EWG GenCo an unfair competitive advantage, and is in the public interest.

### VIII. CONCLUSIONS OF LAW

1. The Settlement Petitioners have demonstrated that based on the Settlement Petition the proposed merger will affirmatively promote the service, accommodation, convenience, or safety of the public in a substantial way. See, City of York v. Pa. P.U.C., 449 Pa. 136, 295 A.2d 825, 828 (1972).

2. The proposed merger is not likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which would prevent retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive electricity market. 66 Pa. C.S. §2811(e).

3. The proposed merger is not likely to result in anticompetitive or discriminatory conduct, including the unlawful exercise of market power, which would prevent retail gas customers from obtaining the benefits of a properly functioning and effectively competitive retail natural gas market. 66 Pa. C.S. §2210.

4. PECO's assignment of debt obligations to a corporate affiliate as part of the transfer of property that will effect PECO's proposed corporate restructuring does not constitute the issuance or assumption of securities, and therefore, does not

trigger the requirements of Chapter 19 of the Public Utility Code (66 Pa. C.S. §§1901-1904).

IX. RECOMMENDED ORDER  
(Subject to Commission Approval)

THEREFORE,

IT IS RECOMMENDED:

1. That the Joint Petition for Settlement filed on March 23, 2000, at Docket No. A-110550F0147, is approved.
2. That the Joint Petition Regarding Issues Raised by Wallace Township and East Brandywine Township filed on April 3, 2000, at Docket No. A-00110550F0147, is approved.
3. That PECO Energy Company, is hereby granted, and a Certificate of Public Convenience shall be issued, upon compliance with the conditions herein set forth, the right to consummate the transactions in connection with PECO Energy Company's formation of a holding company structure, PECO Energy Company's corporate restructuring, and the merger of the new holding company (NewCo) and Unicom Corporation, including, without limitation: (1) the share exchange between PECO Energy Company and its proposed holding company (NewCo) and any associated changes in control; and (2) the transfer of used and useful utility property from PECO Energy Company to NewCo and to any existing or newly created corporate affiliates, including GenCo, recognizing that PECO Energy Company's transfer of generation assets,

liabilities and power contracts was previously approved by the Commission in its Order entered May 14, 1998 at Docket No. R-00973953.

4. That the contracts between PECO Energy Company and affiliated interests, the forms of which appear as Exhibits H-1, H-2, H-3, P and Q to the Application at Docket No. A-00110550F0147, are approved.

5. That the findings required under Section 32(c) of the Public Utility Holding Company Act (PUCHA) (15 U.S.C. §793-5a(c)) for the GenCo to be eligible for Exempt Wholesale Generator (EWG) status are hereby made, namely, that PECO's transfer of generating assets, liabilities and power contracts to a newly formed corporate affiliate GenCo (1) will benefit customers, (2) is in the public interest, and (3) does not violate Pennsylvania law.

6. That the findings required under Section 32(k) of the Public Utility Holding Company Act ("PUCHA") (15 U.S.C. §793-5a(k)) with respect to purchases of power from GenCo, as governed by the Competitive Safeguards set forth in Appendix G to PECO's 1998 Electric Restructuring Settlement at Docket No. R-00973953, are hereby made, namely, that (1) the Commission possesses sufficient regulatory authority, resources and access to books and records of PECO and any relevant associate, affiliate or subsidiary company to exercise its duties under Section 32(k), and (2) the purchase by PECO of energy and capacity from an affiliated Exempt Wholesale Generator GenGo will benefit customers, does not violate Pennsylvania law, would not provide the Exempt Wholesale Generator GenCo an unfair competitive advantage, and is in the public interest.

7. That PECO Energy Company shall file on one day's notice tariff supplements in the forms attached as Appendices A and D to the Joint Petition for

Settlement revising PECO Energy Company's current Distribution Tariff and Supplier Coordination Tariffs, respectively.

8. That the Agreement between PECO Energy Company and the National Railroad Passenger Corporation granting the National Railroad Passenger Corporation an option to execute a lump-sum buy-out of its Transition Charges, as set forth in Appendix F to the Joint Petition for Settlement, is approved.

9. That the rights and options granted to the City of Philadelphia under its existing Rule 4.6 Contract between the City of Philadelphia and PECO Energy Company, as set forth in Appendix G to the Joint Petition for Settlement, is approved.

10. That, except as expressly modified by the terms of the Joint Petition for Settlement, the terms and conditions of PECO Energy Company's 1998 Electric Restructuring Settlement, approved by the Commission by Order entered May 14, 1998 at Docket No. R-00973953, remain in full force and effect.

11. That all other approvals necessary for the proposed PECO Energy Company corporate restructuring and merger with Unicom Corporation, including but not limited to those granted in this Order, are granted.

12. That upon acceptance and approval by the Commission of the tariff supplements filed by PECO Energy Company, consistent with this Order, the record in this proceeding shall be marked closed.

May 30, 2000  
DATE

Charles E. Rainey, Jr.  
CHARLES E. RAINEY, JR.  
Administrative Law Judge

**ATTACHMENT A**

DOCUMENTS TO BE ENTERED INTO THE RECORD

**1. Application of PECO Energy & Exhibits & Testimony**

11/22/99

PECO Statement No. 1 - Kenneth G. Lawrence - Regarding Effects of the Merger on PECO Energy Company Operations and Employment and Its Commitment to the Local Community

PECO Statement No. 2 - Richard G. White - Regarding Business Reasons for the Merger, and Descriptions of the Merger and Restructuring

PECO Statement No. 3 - Thomas P. Hill, Jr. - Regarding Effects of the Merger on PECO Energy's Restructuring Settlement, Impact on Rates

PECO Statement No. 4 - Thomas J. Flaherty - Regarding Estimated Regulated Cost Savings

PECO Statement No. 5 - William H. Hieronymus - Regarding Competitive Effects of the Merger

**2. Supplemental Testimony to PECO's Application**

2/2/00

PECO Statement No. 2S - Richard G. White - Regarding Update to the Merger Agreement and Affiliated Interest Agreements

**3. Joint Petition for Settlement & Supplements**

Joint Petition for Settlement

3/23/00

Supplemental Filing to Joint Petition - Re: Signature of NEV, Revised Appendix D & Joint Petition regarding issues raised by Wallace Twp.

4/3/00

Supplemental Filing to Joint Petition - Re: Appendix G

4/14/00

Revised Appendix A to Joint Petition for Settlement

4/27/00

Letter regarding Commitments from PECO to the City of Philadelphia

4/27/00

4. Statements in Support of Joint Petition

4/2000

- PECO
- Penn Future
- OTS
- OSBA
- Eric Epstein
- OCA
- PAIEUG
- Clean Air Council
- ~~IEPCA~~ IECPA ✓
- MAPSA ✓
- Amtrak ✓
- CEPA ✓
- City of Philadelphia ✓

~~5. Objections to Joint Petition~~ *not admitted as evidence* 4/12/00

- PP&L
- Councilman Cohen

~~6. Replies from Joint Petitioners~~ *not admitted as evidence* 4/2000

- PECO
- PennFuture
- OTS
- OSBA
- Eric Epstein
- OCA
- PAIEUG
- Clean Air Council
- IEPCA
- MAPSA
- Amtrak
- CEPA

**7. Joint Petitioners' Testimony in Support of Replies and Settlement**

PECO Statement No 3S - Supplemental Testimony of Thomas P. Hill, Jr. ✓  
- In Support of the Joint Petition for Settlement

4/2000

Senator Vincent J. Fumo and Consumers Education and Protective Association Statement No. 1 - Testimony of Richard J. Silkman ✓

Eric Epstein Testimony Statement No. 1 - Regarding Nuclear Decommissioning, Planned Operating Life of PECO's Nuclear Generating Stations, Spent Fuel Isolation, Low-Level Radioactive Waste Isolation and Rate Payer Equity & Community Investment ✓

PennFuture's Statement No 1 - Testimony of John Rohrbach\* ✓

East Brandywine Township Statement No. 1 - Testimony of Scott T. Piersol ✓

City of Philadelphia Statement No. 1 - Testimony of Kent R. Miller ✓

OCA's Statement No. 1S - Testimony of Richard LaCapra ✓ ✓

May 2000

PAIEUG Statement No. 1- Direct Testimony & Exhibits of Lane Kollen ✓

OTS Statement No. 1 - Direct Testimony & Exhibit of Kevan Deardorff ✓  
concerning Merger Savings *Exh. # 1*

OTS Statement No. 2 - Direct Testimony of Paul J. Metro concerning ✓  
Decommissioning Market Power Analysis

Clean Air Council, et al Statement No. 1 - Direct Testimony of Andrew ✓  
Altman regarding Environmental Provisions of the Joint Petition for Settlement *& Exh. 1 (curriculum vitae)*

MAPSA Statement No. 1 - Direct Testimony of James McCormick ✓

Amtrak Statement No. 1 - Testimony of Stanley R. Forczek ✓

**8. Testimony filed in Opposition to Settlement**

5/2000

Councilman Cohen Statement No. 1 - Testimony of Councilman David Cohen

Councilman Cohen Statement No. 2 - Testimony of Dr. E.J. Sternglass

Councilman Cohen Statement No. 3 - Testimony of Dr. Janette D. Sherman

Councilman Cohen Statement No. 4 - Testimony of Joseph J. Mangano

PP&L Statement No. 1 - Testimony of Paul L. Gioia

\* *Stipulation between PPL and Penn Futures (deletes parts of Mr. Kobulacki's testimony)*

**ATTACHMENT B**

**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 : APPLICATION  
CREATION OF A HOLDING COMPANY : DOCKET NO. A-110550F0147  
AND (2) THE MERGER OF THE NEWLY :  
FORMED HOLDING COMPANY AND :  
UNICOM CORPORATION :**

**VOLUME I**

**JOINT PETITION FOR SETTLEMENT**

**March 24, 2000**



# PECO ENERGY

James W. Durham  
Senior Vice President  
and General Counsel

Edward J. Cullen, Jr.  
Deputy General Counsel

Sandra H. Byrne  
Legal Administrator

Paul R. Bonney  
Ellen M. Cavanaugh  
Jessica N. Cone  
Todd D. Cutler  
Harvey B. Dikter  
Susan Sciamanna Foehl  
Vilna Waldron Gaston  
Gregory Golazeski  
John C. Halderman  
Mary McFall Hopper  
Conrad O. Kattner  
Kristopher Keys  
Jeffrey J. Norton  
Mark B. Peabody  
Roslyn G. Pollack  
H. Alfred Ryan  
Wendy Schermer  
Richard S. Schlegel  
Jenny P. Shulbank  
Ward L. Smith  
Delia W. Stroud  
Ronald L. Zack  
Assistant General Counsel

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

March 23, 2000

**FEDEX**

**James J. McNulty, Secretary**  
**Pennsylvania Public Utility Commission**  
**North Office Building, Room B-18**  
**Commonwealth Avenue and North Street**  
**Harrisburg, Pennsylvania 17105-3265**

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

**Dear Secretary McNulty:**

On behalf of the signatory parties, enclosed for filing are an original and three copies of a Joint Petition for Settlement of the above-captioned matter.

Also enclosed is a Statement in Support of the Settlement by the Commission's Office of Trial Staff and Citizens for Pennsylvania's Future. Other Joint Petitioners will be filing Statements in Support within the next week.

The Joint Petitioners propose the following process for expeditious review of the Settlement by Administrative Law Judge Rainey and the Commission. This process follows the Commission's rules for review of settlements in major rate cases at 52 Pa. Code § 69.406.

- |   |  |
|---|--|
| March 23  | Settlement Filed                                     |
| March 27 - April 4                              | Public Input Hearings (as previously scheduled)      |
| As soon as possible but not later than March 31 | Newspaper notice of the Settlement                   |
| April 5   | Comments or objections to the Settlement filed       |
| April 10  | Joint Petitioners' replies to comments or objections |
| April 14  | ALJ Recommended Decision                             |
| April 27  | Commission final vote on the Settlement              |

March 24, 2000

Page 2

The Joint Petitioners ask that the schedule that ALJ Rainey previously established (including the submission of written testimony and hearings) be suspended pending the Commission's review of the Settlement.

In reaching this Settlement, the Joint Petitioners "worked diligently, in the spirit of compromise repeatedly endorsed by this Commission, to reach an amicable resolution of this matter," as Chairman Quain urged at the March 2, 2000 Commission Public Meeting in addressing the schedule for this proceeding. The Joint Petitioners request that the Commission approve this Settlement expeditiously.

Sincerely,



Paul R. Bonney

PRB/mbo

Enclosures

cc: John M. Quain, Chairman (Via Hand Delivery)  
Nora Mead Brownell, Commissioner (Via Hand Delivery)  
Aaron Wilson, Jr., Commissioner (Via Hand Delivery)  
Terrance J. Fitzpatrick, Commissioner (Via Hand Delivery)  
Robert K. Bloom, Commissioner (Via Hand Delivery)  
Administrative Law Judge Charles E. Rainey, Jr. (Via Hand Delivery)  
All parties to this proceeding and to PECO's Electric Restructuring  
Proceeding (per the Certificate of Service )

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 by first class mail:

**Parties to PECO Energy's Application A-110550F0147:**

John Hanger  
212 Locust Court, Suite 410  
Harrisburg, PA 17101  
email: hanger@pennfuture.org  
(Counsel for Citizens for Pennsylvania's Future)

Peter Meadows Adels  
Charles McPhedran  
117 South 17<sup>th</sup> St., Suite 1801  
Philadelphia, PA 19103  
email: meadowsadels@pennfuture.org  
(Counsel for Citizens for Pennsylvania's Future)

Christopher B. Craig, Esq.  
Senate Democratic Appropriations Committee  
Room 545, Main Capitol Building  
Harrisburg, PA 17120  
email: ccraig@dem.pasen.gov  
(Counsel for Senator Fumo)

Eric Epstein  
4100 Hillsdale Road  
Harrisburg, PA 17112  
email: eepstein@igc.apc.org  
(Pro Se)

Paul R. Forshay, Esq.  
Gregory K. Lawrence, Esq.  
Sutherland Asbill & Brennan LLP  
1275 Pennsylvania Avenue, NW  
Washington, D.C. 20004-2415  
email: glawrence@sablaw.com  
(Counsel for Shell Energy Services Company, L.L.C.)

Amy Gold  
Shell Energy Services Co., L.L.C.  
P.O. Box 4402  
Houston, TX 77210  
(Counsel for Shell Energy Services Company, L.L.C.)

Charis M. Burak, Esq.  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
email: cburak@mwn.com  
(Counsel for Phila. Area Industrial Energy Users  
Group & Counsel to the Industrial Energy Consumers of Pa.)

David M. Kleppinger, Esq.  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
email: dkleppin@mwm.com  
Counsel for Phila. Area Industrial Energy Users  
Group, to the Industrial Energy Consumers of Pa. And City of  
Philadelphia)

Paul E. Russell, Esq.  
PP&L, Inc.  
Two North Ninth Street  
Allentown, PA 18101  
email: perussell@papl.com  
(Counsel for PP&L)

Donald A. Kaplan, Esq.  
Leanne M. Bober, Esq.  
Preston Gates Ellis & Rouvelas Meeds LLP  
Suite 500  
1735 New York Ave., NW  
Washington, DC 20006  
email: donk@prestongates.com  
(Counsel for PP&L)

Gerald Gornish, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
1650 Arch Street - 22<sup>nd</sup> Fl.  
Philadelphia, PA 19103  
email: ggornish@wolfblock.com  
(Counsel for Enron Energy Services, Inc.)

Daniel Clearfield, Esq.  
Kevin Moody, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
1650 Arch Street - 22<sup>nd</sup> Fl.  
Philadelphia, PA 19103  
email: dclearfield@wolfblock.com  
kmoody@wolfblock.com  
(Counsel for Enron Energy Services, Inc.)

John Halsted, Esq.  
Gawthrop, Greenwood & Halsted  
119 North High Street  
West Chester, PA 19381  
email: gghlaw@gawthrop.com  
(Counsel for East Brandywine Township)

Bernie Ryan, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Bldg.  
300 North Second Street  
Harrisburg, PA 17101  
(Counsel for Small Business Advocate)

Tanya McCloskey/ Irwin A. Popowsky, Esq.  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101

Craig A. Doll, Esq.  
214 State Street  
Harrisburg, PA 17101-1108  
email: cdoll76342@aol.com  
(Counsel for Conectiv Energy)

email paoca@ptd.net

Joseph Otis Minott, Esq.  
135 South 19<sup>th</sup> Street- Suite 300  
Philadelphia, PA 19103  
email: joe\_minott@cleanair.org  
(Counsel for Clean Air Counsel)

Thomas Schmidt, III, Esq./  
Brian P. Downey, Esq.  
Pepper Hamilton LLP  
200 One Keystone Plaza  
North Front and Market Streets  
Harrisburg, PA 17108  
email: downeyb@pepperlaw.com  
(Counsel for Amtrak)

Kenneth M. Barna, Esq.  
Wayne R. Frigard, Esq.  
Rubin and Rudman LLP  
50 Rowes Wharf  
Boston, MA 02110  
email: wfrigard@rubinrudman.com  
(Counsel for Amtrak)

Phil Bertocci, Esq.  
Community Legal Services, Inc.  
1424 Chestnut Street, 4<sup>th</sup> Fl.  
Philadelphia, PA 19102  
email: pbertocci@clsphila.org  
(Counsel for CEPA, et al.)

Joe Dworetzky, Esq./Matthew Hamermesh, Esq.  
Hangley Aronchick Segal & Pudlin  
One Logan Square - 27<sup>th</sup> Fl.  
Philadelphia, PA 19103  
email: jad@hangley.com  
mah@hangley.com  
(Counsel for Mid-Atlantic Power Supply)

John L. Munsch, Esq.  
Deborah J. Henry, Esq.  
Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689  
email: jmunsch@alleghenyenergy.com  
dhenry1@alleghenyenergy.com  
(Counsel for Allegheny Power)

Kenneth L. Mickens, Esq.  
Pennsylvania Public Utility Commission  
Office of Trial Staff  
901 North 7<sup>th</sup> Street, 3<sup>rd</sup> Fl.  
Harrisburg, PA 17102  
email mickens@puc.state.pa.us  
(Counsel for Office of Trial Staff)

Robert Jaffe, Esq.  
City Hall - Room 588  
Philadelphia, PA 19107  
email: lagranger@aol.com  
(counsel ofr Councilamn David Cohen)

Michael Fiorentino, Esq.  
105 North Front Street; Suite 106  
Harrisburg, PA 17101  
email: mfioren@paonline.com  
(Counsel for Clean Air Counsel)

John Will Ongman, Esq.  
Marc Machlin, Esq.  
Pepper Hamilton LLP  
600 Fourteenth St., NW  
Washington, DC 20005  
email: ongmanj@pepperlaw.com  
machlinm@pepperlaw.com  
(Counsel for Amtrak)

Patricia J. Clark, Esq.  
Norbert J. Smith, Esq.  
Allegheny Energy Supply Company, LLC  
Roseytown  
RR 12, Box 1000  
Greensburg, PA 15601  
email: pclark@alleghenyenergy.com  
nsmith2@alleghenyenergy.com  
(Counsel for Allegheny Energy)

Patricia McNamara  
6048 Ogontz Avenue  
Philadelphia, PA 19141  
email: cepa1966@aol.com

Christopher J. Townsend, Esq.  
Piper Marbury Rudnick & Wolfe  
203 N. LaSalle St., #1500  
Chicago, IL 60601  
email: chris.townsend@piperrudnick.com  
(Counsel for New Energy)

John Hall, Esq.  
Unruh, Turner, Burke & Frees  
17 West Gay Street  
West Chester, PA 19381  
email: jhall@utbf.com  
(Counsel for Wallace Township)

Greg Pastore  
619 Pemberton Street  
Philadelphia, PA 19147  
email: gregpastore@yahoo.com

Carville B. Collins, Esq.  
Piper Marbury Rudnick & Wolfe  
6225 Smith Ave.  
Baltimore, MD 21209-3600  
email: carville.collins@piperrudnick.com  
(Counsel for New Energy)

**Commentors to PECO Energy's Application: A-110550F147:**

Glenn Meader  
23 Milton Street  
Feasterville, PA 19053

Jim McDevitt  
310 Hopwood Drive  
Warminster, PA 18974-3630

Jon Emery  
421 Belle Lane  
Harleysville, PA 19438

Honorable Allyson Schwartz  
Senate of Pennsylvania  
Harrisburg, PA 17130

Dorothy Ferebee  
1531 W. Tioga Street, Apt.  
Philadelphia, PA 19140

Charles A. Gallagher, Jr.  
126 S. Landsdowne Avenue  
Landsdowne, PA 19050

John Collins  
490 McGregor Drive  
West Chester, PA 19380

Charles Cattley  
993 N. 7<sup>th</sup> Street  
Allentown, PA 18101

**Parties to PECO Energy's Electric Restructuring:**

Steven P. Hershey, Esq.  
Connolly Epstein Chicco Foxman et al.  
1515 Market Street - 9<sup>th</sup> Floor  
Philadelphia, PA 19102-1909

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

Stephanie A. Sugrue, Esq./ Mary Ann Ralls, Esq.  
Shelia Hollis, Esq.  
Duane, Morris & Heckscher, LLP  
1667 K Street, N.W. - Suite 700  
Washington, DC 20006  
(Counsel for QST)

Gordon Smith, Esq.  
John & Hengerer  
1200 17<sup>th</sup> Street, N.W. - Suite 600  
Washington, DC 20036-3006  
(Counsel for Electric Clearinghouse, Vastar and Noram Energy)

Michael G. Banta, Esq.  
Indianapolis Power & Light Company  
One Monument Circle  
P.O. Box 1595  
Indianapolis, IN 46206-1595  
(Counsel for IP&L)

Linda C. Smith, Esq.  
Dilworth, Paxson, Kalish & Kauffman  
305 North Front Street, Suite 403  
Harrisburg, PA 17101  
(Counsel for AARP)

Vincent J. Walsh, Jr., Esq.  
South Eastern Pennsylvania Transportation Authority  
1234 Market Street - Fifth Floor  
Philadelphia, PA 19107-378-0  
(Counsel for SEPTA)

Susan M. Shanaman, Esq.  
212 North Third Street, Suite 203  
Harrisburg, PA 17101  
(Counsel for CEED)

Ethan Giddings  
217 Rodman Avenue  
Jenkintown, PA 19046

Roger Clark, Esq.  
NESIP 905 Denston Drive  
Ambler, PA 19002-3901  
(Attorney for Environmentalists)

Michael L. Kessler, VP & General Counsel  
American Energy Solutions, Inc.  
111 South Alfred Street  
Alexandria, VA 22314

Lance S. Haver  
6048 Ogontz Avenue  
Philadelphia, PA 19141

Joseph J. Maiatesta, Jr., Esq.  
Lillian Smith Harris, Esq.  
Maiatesta Hawke & McKeon LLP  
Harrisburg Energy Center  
100 North Tenth Street - P.O. Box 1778  
Harrisburg, PA 17105  
(Counsel for Municipal Group)

Usher Fogel, Esq.  
Roland, Fogel, Koblenz & Carr, LLP  
1 Columbia Place  
Albany, NY 12207  
(Counsel for Pennsylvania Petroleum Association)

David Desalle, Esq.  
Ryan, Russell, Ogden & Seltzer  
800 North Third Street, Suite 101  
Harrisburg, PA 17102  
(Counsel for GPU)

Paul L. Zeigler, Esq.  
Zeigler & Zimmerman, PC  
355 North 21<sup>st</sup> Street, Suite 304  
P.O. Box 1080  
Camp Hill, PA 17011-3707  
(Counsel for Delaware Valley Schools Energy/Utility Consortium)

Kenneth Zielonis, Esq.  
Stevens & Lee  
208 N. 3<sup>rd</sup> Street - Suite 310  
Harrisburg, PA 17108-2090  
(Counsel for Pennsylvania Retailers Association)

Philip D. McFarren  
McFarren Group  
Suite 1100, 200 North Third Street  
Harrisburg, PA 17101

Craig Goodman  
3220 North Street, NW  
Suite 338  
Washington, DC 20007

Pennsylvania Rural Electric Association  
212 Locust Street  
Harrisburg, PA 17108

Al Benincasa  
Skipping Stone  
46 9<sup>th</sup> Avenue  
Sea Cliff, NY 11579

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

*Paul Bonney*

Paul R. Bonney  
Assistant General Counsel  
PECO Energy Company  
2301 Market Street, S23-1  
Philadelphia, PA 19103  
(215) 841-4252

Dated: March 24, 2000

**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 : APPLICATION  
CREATION OF A HOLDING COMPANY : DOCKET NO. A-110550F0147  
AND (2) THE MERGER OF THE NEWLY :  
FORMED HOLDING COMPANY AND :  
UNICOM CORPORATION :**

**JOINT PETITION FOR SETTLEMENT**

**March 23, 2000**



## TABLE OF CONTENTS

I. SUMMARY OF SETTLEMENT .....	2
II. BACKGROUND.....	4
III. TERMS AND CONDITIONS.....	8
A. Rate Reductions and Extension of Transmission and Distribution Rate Cap .....	8
B. Recovery of Nuclear Costs, Including Decommissioning Expense; Nuclear Monitoring and Waste Storage.....	10
C. Reliability and Customer Service .....	13
D. Universal Service .....	18
E. Environmental Provisions .....	22
F. Promoting Competition.....	27
G. Corporate Structure Protections.....	35
H. Corporate Presence and Commitment to Local Communities.....	37
I. Large Customer Provisions .....	38
J. General Settlement Provisions .....	38
IV. PUBLIC INTEREST CONSIDERATIONS.....	41
V. CONCLUSION.....	45
APPENDIX A	Distribution Tariff and Proof of Revenues
APPENDIX B	Nuclear Monitoring and Waste Storage Agreement
APPENDIX C	Access To Installed Capacity ("ICAP")
APPENDIX D	Supplier Coordination Tariffs
APPENDIX E	Abbreviated Dispute Resolution Process
APPENDIX F	Amtrak Options for Transition Charge Buyout
APPENDIX G	City of Philadelphia



**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 : APPLICATION  
CREATION OF A HOLDING COMPANY : DOCKET NO. A-110550F0147  
AND (2) THE MERGER OF THE NEWLY :  
FORMED HOLDING COMPANY AND :  
UNICOM CORPORATION :**

**JOINT PETITION FOR SETTLEMENT**

This Joint Petition for Settlement ("Joint Petition") is submitted by the following parties in the above-captioned proceeding: PECO Energy Company ("PECO" or the "Company"); the Office of Trial Staff ("OTS"); the Office of Consumer Advocate ("OCA"); the Office of Small Business Advocate ("OSBA"); Citizens for Pennsylvania's Future and the ten named individuals that joined in its Protest and Petition to Intervene (collectively, "PennFuture"); Senator Vincent J. Fumo; the City of Philadelphia; Clean Air Council and the three named individuals that joined in its Protest and Petition to Intervene ("CAC"); the Consumers Education and Protective Association *et al.* ("CEPA")<sup>1</sup>; Enron Energy Services, Inc. ("Enron"); the Philadelphia Area Industrial Energy Users Group ("PAIEUG"); the Industrial Energy Consumers

---

<sup>1</sup> As used herein, "CEPA" refers collectively to the Consumer Education and Protective Association ("CEPA"), the Association of Community Organizations for Reform Now ("ACORN") and the Tenants' Action Group ("TAG"), which are represented by common counsel and submitted a joint protest and petition to intervene.

of Pennsylvania (“IECPA”); Conectiv Energy (“Conectiv”); Eric Joseph Epstein; Patricia McNamara; the National Railroad Passenger Corporation (“Amtrak”); and the Mid-Atlantic Power Supply Association (“MAPSA”) (all such parties collectively referred to as the “Joint Petitioners”).

The terms and conditions set forth in this Joint Petition represent a comprehensive settlement (“Settlement”) among the aforementioned parties that resolves all issues pertaining to the above-captioned Application.<sup>2</sup> The Joint Petitioners aver that this comprehensive Settlement is in the public interest and, therefore, request that the Commission: (1) approve without modification the proposed Settlement as set forth herein; (2) issue the Certificates of Public Convenience and enter Orders granting the approvals and making the findings requested in PECO’s Application; and (3) approve the tariff supplements, appended hereto, that are necessary to implement the rate reductions and other changes agreed to as part of the proposed Settlement.

In support of their request, the Joint Petitioners state as follows:

### **I. SUMMARY OF SETTLEMENT**

The Joint Petitioners have agreed to the proposed Settlement terms and conditions set forth in this document as a means to resolve, fairly and equitably, all issues arising from the Application filed by PECO for approval of the proposed corporate restructuring and merger. As a result of this Settlement, further protracted litigation is avoided and customers can begin to realize the benefits of this Settlement sooner.

The Joint Petitioners have agreed to terms and conditions that fairly balance the interests

---

<sup>2</sup> The Joint Petitioners understand that West Penn Power Company, The Potomac Edison Company and Monogahela Power Company (“Allegheny Power”) and Allegheny Energy Supply Company, LLC (“AESC”) will submit a separate letter indicating they do not oppose or take exception to the Settlement. Additionally East Brandywine Township and Wallace Township have indicated that they are taking no position on the Settlement at this time. PECO agrees that East Brandywine Township and Wallace Townships are in no way precluded from pursuing a separate agreement with PECO as to additional reliability upgrades and assurances.

of all parties and affirmatively promote the public interest. In particular, on January 1, 2002, PECO will reduce its retail electric distribution rates by \$60.0 million annually.<sup>3</sup> Such \$60.0 million reduction will remain in effect until January 1, 2004, when the annual rate decrease will become \$40.0 million. The \$40.0 million rate reduction will remain in effect through December 31, 2005. PECO will also extend the cap on its retail transmission and distribution charges agreed upon in the settlement of PECO's restructuring proceeding at Docket No. R-00973953 (the "1998 Electric Restructuring Settlement"), which would otherwise expire on June 30, 2005, for an additional eighteen months, or through December 31, 2006.

In addition, the Settlement: (1) imposes limitations on PECO's right to request recovery of any increases in nuclear decommissioning costs; (2) establishes benchmarks and measurement criteria for reliability and customer service and commits PECO to develop, with other parties, and implement, a quality of service plan to provide higher levels of reliability and customer service; (3) provides for enhancements in PECO's electric and gas universal service programs; (4) commits PECO to implement various initiatives to foster and promote renewable energy and related economic development; (5) promotes increased retail electric competition in PECO's service area, through a variety of commitments; (6) adopts various corporate structure protections to insulate retail customers from the risks of unregulated ventures and avoid the potential for improper cross-subsidization; (7) provides for PECO to maintain a strong corporate presence in Southeastern Pennsylvania through specific commitments regarding its corporate headquarters, employment and staffing levels and charitable and civic giving; and (8) enhances PECO's customer relationship with the City of Philadelphia.

---

<sup>3</sup> PECO has already agreed to reduce its retail rates by \$60.0 million for the duration of 2001 pursuant to the terms of a separate settlement of PECO's reneasecuritization filing at Docket No. R-00005030. The settlement was approved by the Commission on

The other Joint Petitioners agree, in turn, to resolve all objections to the Application and the granting of the various approvals requested therein and, subject to certain exceptions and qualifications as more fully set forth in Section 71, *infra*, to withdraw all actions, interventions or protests filed, and to terminate all other participation by themselves and their affiliates, in all proceedings involving or related to the merger of PECO and Unicom or the PECO, Unicom or Commonwealth Edison corporate restructurings, transfers of assets and related transactions. The other Joint Petitioners also agree to fully support the Settlement and to make reasonable good faith efforts to obtain its approval by the Commission and, if necessary, any Courts.

## II. BACKGROUND

1. This proceeding was initiated by the filing, on November 22, 1999, of the *Application Of PECO Energy Company, Pursuant To Chapters 11, 19, 21, 22 and 28 Of The Public Utility Code, For Approval Of (1) A Plan Of Corporate Restructuring, Including The Creation Of A Holding Company And (2) The Merger Of The Newly Formed Holding Company And Unicom Corporation* ("Application").

2. The transactions comprehended by the Application consist of the following: (1) the creation of NEWHOLDCO Corporation ("NewCo.") as a wholly owned subsidiary of PECO<sup>4</sup>; (2) the exchange of PECO common stock for NewCo. common stock, such that, after the share exchange, NewCo. will be the parent of PECO; (3) PECO's transfer of its generating assets and wholesale power contracts to a newly formed generation subsidiary ("GenCo.") and its transfer of certain other assets and common facilities to NewCo., to a newly formed service company

---

March 16, 2000.

<sup>4</sup> Subsequent to the filing of the Application, it was announced that NEWHOLDCO Corporation would be renamed Exelon Corporation.

("ServeCo.") and to newly formed non-utility business subsidiaries ("VenturesCo."); (4) PECO's distribution to NewCo. of its shares in GenCo., ServeCo. and VenturesCo., thereby making those companies direct subsidiaries of NewCo.; and (5) concurrent with the consummation of the restructuring, and pursuant to the terms of their Agreement and Plan of Exchange and Merger, the merger of NewCo. and Unicom Corporation ("Unicom"). Hereafter, the transactions identified in (1)-(4), above, are referred to collectively as the "Corporate Restructuring," and the transaction identified in (5), above, is referred to as the "Merger." The Corporate Restructuring and Merger are described in greater detail in Paragraph Nos. 7-16 of the Application.

3. In the Application, PECO requested that the Commission grant the approvals necessary to effect the transactions described above, which consist of (1) the issuance of Certificates of Public Convenience under Section 1102 of the Public Utility Code (66 Pa.C.S. §1102), as more fully described in Paragraph Nos. 18-22 of the Application; (2) the registration of Securities Certificates under Section 1901 of the Public Utility Code (66 Pa.C.S. §1901), if required, as more fully described in Paragraph No. 22 of the Application; (3) the approval of contracts with affiliated interests under Section 2102(b) of the Public Utility Code (66 Pa.C.S. §2102(b)), as more fully described in Paragraph Nos. 23-25 of the Application; (4) making the findings described in Sections 2210 and 2811(e) of the Public Utility Code (66 Pa.C.S. §§2210 and 2810(e)), as more fully described in Paragraph No. 26 of the Application; and (5) making the findings required by Sections 32(c) and 32(k) of the Public Utility Holding Company Act (15 U.S.C. §793-5a(c) and (k)) for PECO to seek from the Federal Energy Regulatory Commission

("FERC") Exempt Wholesale Generator ("EWG") status and approval to purchase electric power from an affiliate at market-based rates, as more fully described in Paragraph Nos. 27-29 of the Application.

4. Along with its Application, PECO submitted Appendices A-O and Statement Nos. 1-5 and accompanying exhibits. The statements and exhibits are summarized in Paragraph No. 38 of the Application. An element of PECO's supporting information is the market power analysis conducted by William H. Hieronymus, Senior Vice President of PHB Hagler Bailly, Inc. (PECO Statement No. 5 and Exhibit WHH-1), that was conducted in accordance with the Competitive Analysis Screen described in Appendix A to the FERC's Merger Policy Statement, which in turn is intended to comport with the Department of Justice and Federal Trade Commission Horizontal Merger Guidelines. In addition, on February 2, 2000, PECO submitted supplemental testimony to explain certain amendments made to the Agreement and Plan of Merger after the filing of the Application (PECO Statement No. 2S).

5. PECO notified its customers of the filing of the Application by bill inserts. In addition, PECO issued a press release announcing and describing the Merger. PECO also served copies of its filing on the OTS, the OCA and the OSBA and served notice of the filing on all of the active parties to PECO's electric restructuring proceeding at Docket No. R-00973953 and all active parties to PECO's natural gas restructuring proceeding at Docket No. R-00994787, as more fully explained in Paragraph No. 51 of the Application and its accompanying Certificate of Service.

6. 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 allowed

interested parties until December 20, 1999 to file protests and petitions to intervene. Twenty-four parties filed protests or petitions to intervene in response to the Commission's Order.<sup>5</sup> In addition, the OTS entered its appearance.

7. The Commission assigned this matter to Administrative Law Judge Charles E. Rainey to conduct hearings and issue an initial decision. By its Order entered March 4, 2000, the Commission denied PECO's request that, in lieu of an initial decision, the Administrative Law Judge certify the record to the Commission for final decision pursuant to Section 335(a) of the Public Utility Code (66 Pa.C.S. §335(a)). On January 20, 2000, a Prehearing Conference was held in Philadelphia at which various procedural matters were addressed and resolved, including *the establishment of a schedule in the event that litigation of the proceeding proved necessary.*

8. Commencing shortly after PECO filed its Application, the parties engaged in extensive formal and informal discovery. To date, PECO has responded to approximately 500 interrogatories and requests for production of documents, which provided extensive additional information about the transactions for which approval is requested and about other issues of importance to the parties.

9. All parties actively engaged in a collaborative process to address what they perceive to be the issues raised by the Application. To that end, the schedule established at the Prehearing Conference committed the parties to two days of face-to-face meetings, on March 1 and 2, 2000, to attempt to resolve their differences. The success of those meetings prompted further rounds of negotiation, which ultimately led to the Settlement set forth herein.

---

<sup>5</sup> Twenty-two of the filings were made before the Commission-imposed deadline. Two parties, New Energy and the City of Philadelphia, filed protests and petitions to intervene after December 20, 1999. NewEnergy was permitted to intervene over PECO's objection. PECO chose not to contest the intervention of the City of Philadelphia. Additionally, the Department of the Navy filed a Notice to Intervene Out of Time, which it withdrew pursuant to a Notice of Withdrawal filed on March 22, 2000.

### III. TERMS AND CONDITIONS

The Joint Petitioners, intending to be legally bound and for due consideration given, agree that the Application should be approved and the relief requested therein granted, subject to the following terms and conditions:

**A. Rate Reductions and Extension of Transmission and Distribution Rate Cap**

10. **Rate Reductions.** On January 1, 2002, PECO will reduce its retail electric distribution rates by \$60.0 million annually from the levels that otherwise would be in effect pursuant to the Commission's Order, entered May 14, 1998, approving the 1998 Electric Restructuring Settlement.<sup>6</sup> That \$60.0 million distribution rate reduction will remain in effect until January 1, 2004, at which time the annual rate decrease will become \$40.0 million. The \$40.0 million rate reduction will remain in effect through December 31, 2005. The following distribution rate reductions will apply to all retail rate classifications and all customers within those rate classifications as set forth on a system average basis in Schedule 1 below.<sup>7</sup>

---

<sup>6</sup> PECO has already agreed to reduce its retail rates by \$60.0 million for the duration of 2001 pursuant to the terms of a separate settlement of PECO's re-securitization filing at Docket No. R-00005030. The settlement was approved by the Commission on March 16, 2000.

<sup>7</sup> Rates reflecting the distribution rate reductions agreed to herein will be reflected on customers' bills commencing with regular billing cycles beginning after January 1 of the respective years shown on Schedule 1 and ending with the first regular billing cycle of the next subsequent year.

Schedule 1

SCHEDULE OF SYSTEM-WIDE AVERAGE RATES (a)

<u>Effective Date</u>	<u>Transmission</u> (b) (1)	<u>Distribution</u> (2)	<u>T&amp;D Rate Cap</u> (3) = (1) + (2)	<u>CTC or ITC</u> (4)	<u>Shopping Credit</u> (5)	<u>Generation Rate Cap</u> (6) = (4) + (5)
	¢/kWh	¢/kWh	¢/kWh	¢/kWh	¢/kWh	¢/kWh
January 1, 2002	0.45¢	2.35¢	2.80¢	2.51¢	4.47¢	6.98¢
January 1, 2003	0.45¢	2.35¢	2.80¢	2.47¢	4.51¢	6.98¢
January 1, 2004	0.45¢	2.41¢	2.86¢	2.43¢	4.55¢	6.98¢
January 1, 2005	0.45¢	2.41¢	2.86¢	2.40¢	4.58¢	6.98¢
January 1, 2006	0.45¢	2.53¢(c)	2.98¢(c)	2.66¢	4.85¢	7.51¢

- (a) All prices reflect average retail billing for all classes of service (including gross receipts tax). Detail of actual individual rates for each class of service is provided in Appendix A. The average prices as presented in this Schedule 1 reflect the profile of service contained in PECO's proof of revenue set forth in Appendix A.
- (b) The transmission prices listed are for unbundling only. The Pennsylvania Public Utility Commission does not regulate the rates for transmission service.
- (c) The cap on PECO's transmission and distribution rates under Section 2804(4) of the Electric Competition Act will be extended until December 31, 2006.

11. **a. Extension of Rate Cap.** The cap on PECO's retail transmission and distribution charges, under Paragraph 21 of the 1998 Electric Restructuring Settlement, entitled "Rate Caps and Transmission and Distribution Charges," which otherwise would expire on June 30, 2005, will be extended an additional eighteen months, or through December 31, 2006. The other provisions of Paragraph 21 of the 1998 Electric Restructuring Settlement will remain in full force and effect and will apply for the duration of the new transmission and distribution rate cap period through December 31, 2006.

**b. Other Costs.** PECO agrees that expenses directly attributable to achieving the synergies under the merger will be incurred prior to the conclusion of the transmission and distribution rate cap period. PECO also hereby confirms that the Merger is a merger of equals and does not include an acquisition premium.

**B. Recovery Of Nuclear Costs, Including Decommissioning Expense; Nuclear Monitoring and Waste Storage.**

12. **Recovery of Nuclear Costs.** PECO agrees that it will not seek to recover through Pennsylvania retail electric distribution rates the costs associated with the ownership and operation of any nuclear generating plants, or any fractional interests in such nuclear generating plants, that it did not hold on December 31, 1999 ("PECO's Pre-Existing Nuclear Interests").<sup>8</sup> For purposes of this section, such costs include, *inter alia*, nuclear decommissioning expense obligations, but do not include nuclear-related costs included in purchased power costs, or other

---

<sup>8</sup> The Joint Petitioners agree that the PECO Pre-Existing Nuclear Interests consist of a 100% ownership interest in Peach Bottom Unit No. 1, a 42.49% ownership interest in Peach Bottom Unit Nos. 2 and 3, a 42.59% ownership interest in Salem Unit Nos. 1 and 2 and a 100% ownership interest in Limerick Unit Nos. 1 and 2.

nuclear costs. To the extent otherwise not prohibited by the Distribution Rate Cap established pursuant to this Settlement, the Generation Rate Cap established under the 1998 Electric Restructuring Settlement, or by this Settlement, PECO shall not be precluded from recovery of purchased power costs related to nuclear generation, or other nuclear-related costs, that are incurred by PECO based on market pricing principles.

13. Except as specifically provided herein, nothing in this Settlement is intended to limit or otherwise modify PECO's rights to seek recovery through Pennsylvania retail electric rates of nuclear decommissioning costs associated with PECO's Pre-Existing Nuclear Interests. However, PECO agrees that if and when it seeks to increase its annual nuclear decommissioning expense allowance above the base \$29.162 million annual accrual level used for the purpose of calculating its Nuclear Decommissioning Cost Adjustment Charge ("NDCAC"), it will, under specifically defined circumstances as set forth in the Distribution Tariff attached as Appendix A, voluntarily forego recovery of (1) \$50 million of its total decommissioning cost obligations, plus (2) 5% of any additional increase in the annual accrual level above the base \$29.162 million annual accrual level.

14. To the extent permitted under applicable law, separate decommissioning trust funds, or sub-funds, shall be established for the decommissioning liability associated with any nuclear generating plant, or any fractional interest in a nuclear generating plant, that is not included in the definition of PECO's Pre-Existing Nuclear Interests ("Acquired Nuclear Interests"). To the extent permitted under applicable law, each Acquired Nuclear Interest fund or subfund shall be maintained separately and apart from the decommissioning funds established and existing for PECO's Pre-Existing Nuclear Interests ("PECO's Pre-Existing Nuclear Interest

Funds”). No part of the cost of decommissioning Acquired Nuclear Interests shall be paid from PECO’s Pre-Existing Nuclear Interest Funds.

15. The Joint Petitioners agree that if the actual expenditures necessary to accomplish the full decommissioning of PECO’s Pre-Existing Nuclear Interests are less than the full balance of PECO’s Pre-Existing Nuclear Interest Funds, PECO is entitled to obtain release of such funds for the purpose of sharing the amount between customers and shareholders. In the event of such release, PECO will be permitted to retain for its own benefit (1) the first \$50.0 million of the net after tax released amount and (2) 5.0% of the remaining net after-tax released amount. The balance of the released funds not retained by PECO shall be returned to retail customers in a manner to be directed by the Commission.

16. Nothing in this Settlement is designed to prevent PECO from entering into purchase power agreements with any entity, affiliated or otherwise, for the procurement of nuclear generation.

17. PECO also agrees that, in the event that any nuclear generating unit owned by PECO or a PECO affiliate experiences an incident or accident that results in uninsured damage claims in excess of \$1 billion, PECO shall: (i) notify the PUC within 60 days of such incident or accident, and (ii) within 90 days thereafter, demonstrate that PECO’s net cash flows are sufficient for PECO to provide safe, adequate, continuous, efficient, reliable and reasonable distribution service to its Pennsylvania customers at reasonable rates.

18. **Nuclear Monitoring and Waste Storage.** PECO shall enter into an agreement with Eric Joseph Epstein which shall be substantially in the same form as that attached hereto as Appendix B. This Agreement shall specifically address certain issues relating to the continued

safe operation of Peach Bottom 2 and 3, robotics research, and community involvement concerns raised by Mr. Epstein. This Agreement is referenced for informational purposes only. The parties do not specifically request the Commission to approve this Agreement as part of the Joint Petition for Settlement.

**C. Reliability And Customer Service.**

19. PECO commits to a Quality of Service Plan ("Service Plan") designed to provide higher levels of reliability and customer service in PECO's service territory. The Company also agrees to continue its commitment and efforts to resolve reliability problems identified in several specific areas, which include, but are not limited to, the on-going efforts in East Brandywine Township, Aston Township, Wallace Township, York County as well as other areas. The Company agrees that it will continue to respond to customer and community concerns regarding reliability and will not argue that this Settlement or Service Plan limits or eliminates its responsibility to address reliability concerns throughout its service territory.

20. The Company agrees to establish service quality standards that enhance reliability and customer service over the period from January 1, 2001 to December 31, 2005. The Company and the Joint Petitioners further agree to reconvene in 2005 to determine if further action is necessary and, if so, the nature and scope thereof.

21. The Company, OCA, OTS, the City of Philadelphia and other interested parties agree to work cooperatively to provide higher levels of reliability and customer service over the period from January 1, 2001 through December 31, 2005. The parties also agree to work cooperatively to determine necessary action to be implemented pursuant to the Service Plan each year.

22. The Service Plan will include specific measurement areas where the Company will be expected to provide higher levels of service. In addition, the Service Plan will identify areas where performance must be maintained and areas that must be reported to the OCA, the OTS, the Commission, the City of Philadelphia and other interested parties.

23. **Reliability.** The Joint Petitioners have set targets utilizing, where available, five-year historic data from 1994 through 1998 and reflecting agreed upon higher levels of service over the period 2001 through 2005. The following indices, utilizing Commission definitions where available, will be measured and/or reported. A mutually agreed upon range and/or reporting requirement for higher levels of service for these indices is set forth below:

- **Customer Average Interruption Duration Index (CAIDI):** The Company agrees to move, by 2005, to a level of reliability measured by CAIDI that is 10% higher than the level set by the Commission in its Reliability Benchmarks and Standards (PUC Docket No. M-00991220).
- **System Average Interruption Frequency Index (SAIFI):** The Company agrees to move, by 2005, to a level of reliability measured by SAIFI that is 10% higher than the level set by the Commission in its Reliability Benchmarks and Standards (PUC Docket No. M-00991220).
- **Repeat Outages:** The Company agrees to provide a yearly plan, beginning in 2001, to reduce the number of customers with repeat outages and agrees to a yearly reporting requirement regarding this index.
- **Five Worst Circuits:** The Company agrees to provide yearly plan, beginning in 2001, to provide a higher level of service for the five worst circuits and agrees to provide a yearly report of its results in achieving this plan.
- **System Average Interruption Duration Index (SAIDI):** Reporting Requirement. The levels for SAIDI expected to be consistent with CAIDI and SAIFI.
- **Momentary Average Interruption Frequency Index (MAIFI):** Reporting Requirement.
- **Storm Management:** The Company will provide to the OCA, the OTS, The City of Philadelphia, and the Commission individual storm performance reports

addressing the Company's storm management efforts for storms excluded by the Commission's definition.

24. **Customer Service.** Initial targets have been developed from historical data, where available, and from Company standards, Bureau of Consumer Services ("BCS") standards and industry practices, reflecting agreed upon higher levels of service over the period 2001 through 2005. The indices may be increased to reflect the PUC standards as set forth in the Commission's future rulemaking. A mutually agreed upon range and/or reporting requirement for higher levels of services for these indices is set forth below:

- **Percentage of calls answered within 30 seconds (as defined by the Company):** The Company agrees to a target of 70% through 2005, which reflects a higher level of performance. The Company will be considered non-compliant for this index if the percentage of calls answered within 30 seconds is below 65% in any year of the Service Plan.
- **Average "Busy-Out" rate (% of calls that encounter a busy signal):** The Company agrees to a target of 4% through 2005, which reflects a higher level of performance. The Company will be considered non-compliant for this index if the percentage of calls that encounter a busy signal is above 5% in any year of the Service Plan.
- **Number of residential customer disputes not issued a Company report within 30 days.** The Company agrees to 50% decrease in this index over the period 2001 through 2005.
- **Gas Response Time to Safety Calls.** The Company commits to maintain its current high level of performance, by continuing to respond to 99% of all gas emergency calls within one hour. The Company agrees to provide OCA with copies of monthly reports on gas emergency call response submitted to the Commission's Bureau of Safety and Compliance.
- **Worker/Employee Safety-OSHA Loss Work Day Cases** The Company commits, as its target, to remain in the top 10% of EEI comparable utilities (companies with 1500-4000 employees). The Company will be considered non-compliant for this index if it falls below the top 20% of the EEI comparable utilities.

25. **Customer Service Reports.** The following indices will be reported annually:

- Average call abandonment rate.
- Average number and % of residential bills not rendered once every billing period.
- Average number and % of small commercial bills not rendered once every billing period.
- Number and % of residential meters not read as required by 52 Pa. Code §56.12(4) (ii).
- Number and % of residential meters not read as required by 52 Pa. Code §56.12(4)(iii)
- Number of residential customers not read as required by 52 Pa. Code §56.12(5)(i).
- Justified consumer complaint rate. Report only the data contained in the BCS Annual Report.
- PUC Infraction Rate. The Company to report only until necessary data are available.
- Customer satisfaction surveys.
  - % satisfied with recent contact.
  - % appointments met.

26. The Company agrees to include overall performance under the above identified Service Plan in the annual performance appraisal and compensation for the management and supervisory employees in its Distribution Operations and the Customer and Marketing Services groups.

27. **Evaluation of Compliance.** The Company will provide a report each year to the PUC, the OCA, the OTS, the OSBA, the City of Philadelphia and other interested parties analyzing its performance in each area and its performance in achieving the targets for higher levels of service. The Company will analyze each of the performance indicators in its report.

28. **Response to Failure to Achieve the Targets in the Improvement Plan.**

a. The Company agrees that, in any year during the Service Plan, if its performance is outside of the agreed upon range for any performance area being measured pursuant to Sections 23 and 24, the Commission will open a formal proceeding to investigate the Company's performance under the Service Plan. The Company, as an initial part of this proceeding, will provide the PUC, OCA, OTS, OSBA, the City of Philadelphia and other interested parties with a report that analyzes the root cause of the failure and specifies the steps to be taken over the next 12 months to meet the required standard in the following year. The report shall include specific measurements of progress over the 12 months. A prehearing conference will be convened within 60 days of the filing of the Report. At the prehearing conference, the parties to the proceeding must indicate whether they wish to proceed to full litigation of the matter or whether the matter has been resolved among the parties.

b. In any proceeding convened to investigate the Company's non-compliance with the Service Plan, any party may request the Commission to order penalties for the service quality non-compliance. The Commission shall consider the degree of non-compliance and the number of indices in the Service Plan in which PECO failed to achieve agreed upon performance in determining whether to impose penalties and the level of penalties. The Commission can consider other methods of ensuring compliance with the Service Plan.

c. The Company agrees that the parties retain their right to petition the Commission for an on-the-record investigation or file a complaint in response to the storm management reports, storm response, other reported indices that are not directly measured in the Service Plan, individual or community complaints, or under other Commission Regulations.

d. Nothing contained herein is intended to limit the authority of the Commission, BCS, the Bureau of Safety and Compliance, or other Bureaus of the Commission from performing their duties and making recommendations, including recommendations regarding fines, for failure of PECO to perform in any of the areas contained in the Service Plan.

**D. Universal Service**

29. The Company agrees to provide \$1.3 million per year for 2001 and 2002 to the county fuel fund agencies in each county in PECO's electric service territory that currently administer fuel grants.<sup>9</sup> These payments shall be made on or before January 15 of each year in which a payment is to be made pursuant to this Section. Payments made pursuant to this Section shall be distributed to the county fuel fund agencies in accordance with the existing allocation formula for PECO's Matching Energy Assistance Fund ("MEAF") funds to each county. If PECO has not implemented a "special needs" component to its CAP Rate program by January 1, 2003, it shall provide an additional \$400,000 to the county fuel fund agencies on or before January 15, 2003, to be allocated among such agencies in the same manner as the payments to be made pursuant to this Section in 2001 and 2002. PECO shall take all steps necessary to ensure that its CARES Program efficiently draws on the resources provided by this provision. These contributions do not limit or replace PECO's commitment to its hardship funds. The county fuel fund agencies will provide annual reports to the Company detailing how payments made pursuant to this section were spent.

30. The Company agrees to institute and maintain a customer data warehouse that will include appropriate Universal Service data. The data warehouse shall be designed to gather, to

---

<sup>9</sup> The county fuel fund agencies are: Project Heat, c/o Bucks County Opportunity Council, Inc.; Chester County Cares, c/o Community Service Council of Chester County; Delco Shares Its Warmth, c/o Community Action Agency; Project Reach, c/o

the extent technically feasible, historic data for Universal Service customers, including data back to at least December 1, 1998. In addition, the data warehouse shall be designed to enable the Company to monitor and manage its Universal Service programs. H. Gil Peach, Ph.D. ("Dr. Peach") will be included on the distribution list for communications in defining the content of the data warehouse, and will routinely interact with the PECO representatives that are developing the data warehouse. By January 31, 2001, the data warehouse will be in place and will begin its data population. The Company agrees to provide Dr. Peach with timely and convenient on-site access to the customer data and statistical analysis tools, that will be necessary for him to effectively analyze the CAP Rate programs and the need, and structure of, if necessary, any "special needs" program. The Company agrees that the information contained in its data warehouse will be treated in accordance with the Commission's May 18, 1999 Enrollment Order at PUC Docket No. M-00991230, the Company's Electric Generation Supplier Coordination Tariff and other Commission Orders and Regulations.

31. The Joint Petitioners agree that a determination of the need for a "special needs" program and the components of such a program are more properly determined after sufficient Universal Service data are compiled. To that end, the Company agrees to review the Universal Service data contained in the data warehouse and other relevant sources to evaluate, with the LIURP Advisory Committee, whether a "special needs" component should be added to the Company's CAP Rate programs. A "special needs" component shall include, but is not limited to, program changes that address the special needs of customers with incomes at or below 50% of the federal poverty level. The determination of whether a "special needs" program is necessary,

and the formulation of the program, if necessary, shall be completed by June 30, 2002. If PECO and the LIURP Advisory Committee are unable to achieve consensus on a program by that date, PECO shall, within 60 days thereafter, make a recommendation to the Commission concerning a "special needs" component. Nothing in this Settlement shall be interpreted to preclude earlier action from being taken to implement a "special needs" component in conjunction with the LIURP Advisory Committee or as the result of any other proceeding or Commission requirement. The contributions to the county fuel funds, as described in Section 29, above, will be in lieu of the Company implementing a "safety net" or "special needs" component in years 2001 and 2002. As described in this Settlement, the Company agrees to use its best efforts to develop data, to study, and to evaluate this issue during this time frame.

32. As committed to in its Gas Restructuring Settlement at Docket No. R-00994787, the Company agrees to an updated evaluation of the CAP Rate program by Dr. Peach.<sup>10</sup> In this evaluation, Dr. Peach will assess the need for a "special needs" component to the CAP Rate. Dr. Peach's evaluation shall be completed by January 31, 2002.

33. By June 30, 2001, the Company agrees to provide the LIURP Advisory Committee with a status report on the Company's data warehouse and a report on the contributions to the county fuel funds.

34. The initial maximum participation level of 100,000 customers in the Electric CAP program specified in Paragraph 34 of the 1998 Electric Restructuring Settlement is increased. Consistent with Paragraph 34 of the 1998 Electric Restructuring Settlement, the CAP Rate

---

<sup>10</sup> Dr. Peach is the consultant who has conducted recent evaluations of PECO's CAP Rate Program. In the event that Dr. Peach declines or is unable to provide the service as set forth herein, a substitute shall be chosen who is mutually acceptable to PECO and the LIURP Advisory Committee.

remains an open enrollment program for all eligible customers with a provisional maximum participation level of 125,000 customers subject to revision and adjustment in consultation with the LIURP Advisory Committee when that level is reached.

35. In the event that Electric CAP Rate enrollment reaches 90,000 customers, the cost credit recoverable in the Universal Service Fund Cost ("USFC") Section 1307 recovery mechanism for each CAP Rate customer in excess of 90,000 will be \$383 per year in order to recover revenue shortfalls from the CAP Rate discounts. The USFC mechanism will recover only the revenue shortfalls described above, and the Company relinquishes the right to recover administration, credit and collection costs, Uncollectible Accounts expenses, LIURP expense and similar costs related to the CAP program through the USFC mechanism. The \$383 per customer per year amount will remain in effect until the Company's next base rate case, will not be challenged in Section 1307 proceedings, and will be deemed acceptable for the purpose of Section 1307 audits. The annual recoverable amount will be calculated on the basis of the \$383 cost credit multiplied by the total number of electric customers over 90,000 enrolled in the CAP Rate program (prorated for partial year participants). The Joint Petitioners further agree that the Company will be permitted to recover the annual recoverable amount beginning January 1, 2002. Accordingly, this Section modifies the cost credit recovery calculation of the Section 1307 mechanism described in Paragraphs 33 and 34 of the 1998 Electric Restructuring Settlement.

36. In the event that Gas CAP Rate enrollment reaches 17,500 customers, the cost credit recoverable in the USFC Section 1307 recovery mechanism for each Gas CAP Rate customer in excess of 17,500 will be \$200 per year in order to recover revenue shortfalls from the

Gas CAP Rate discounts. The USFC mechanism will recover only the revenue shortfalls described above, and the Company relinquishes the right to recover administration, credit and collection costs, Uncollectible Accounts expenses, LIURP expense and similar costs related to the Gas CAP program through the USFC mechanism. The \$200 per customer per year amount will remain in effect until the Company's next base rate case, will not be challenged in Section 1307 proceedings, and will be deemed acceptable for the purpose of 1307 audits. The annual recoverable amount will be calculated on the basis of the \$200 cost credit multiplied by the total number of gas customers over 17,500 enrolled in the CAP Rate program (prorated for partial year participants). Except as modified herein, the Joint Petitioners further agree that Company will be permitted to recover the annual recoverable amount beginning June 30, 2002, in accordance with the Gas Restructuring Settlement at Docket No. R-00994787.

37. Additional electric and gas program costs for any new Universal Service programs, such as a "special needs" program (other than amounts committed above for 2001, 2002, and 2003 of \$1.3 million, \$1.3 million, and \$0.4 million, respectively), will be eligible to be recovered through the USFC Section 1307 recovery mechanism.

**E. Environmental Provisions**

**38. Wind Block Program.**

a. **Funding.** PECO agrees to contribute to Community Energy, Inc.

("CEI")<sup>11</sup> the sum of three and one-half million dollars (\$3,500,000.00) for its Pennsylvania Wind Energy Program, payable to CEI in the following four installments: the first one million dollar

---

<sup>11</sup> CEI is a Delaware corporation with its offices in Philadelphia and Doylestown, Pennsylvania. CEI's corporate mission is to develop and market renewable and clean energy options in a customer choice environment. The principal project of CEI at this time is "Pennsylvania Wind Energy," under which new wind turbines are constructed with the generation marketed in "blocks" to retail customers. The program has developed new wind facilities near Hazleton, Pennsylvania, that commenced commercial operation in

installment to be paid on the first business day following the date of the consummation of the Merger; the second one million dollar installment to be paid within two business days after January 1, 2002; the third one million dollar installment to be paid within two business days after January 1, 2003; and the remaining \$500,000 to be paid within two business days after January 1, 2004. The funding will be used to advance the Pennsylvania Wind Energy Program to Pennsylvania electric customers in a manner that is non-exclusive to the Electric Generation Supplier a participating customer may select. Semiannually during 2001, 2002, 2003 and 2004, CEI shall submit a report to PECO, the PUC, and the OCA detailing its expenditure of the funds received from PECO. This report shall be in a form reasonably satisfactory to PECO.

b. **Co-operative Marketing.** Separate from the provisions in subsection (a) above, CEI will work in conjunction with PECO Energy and/or Exelon Energy (or its successor EGS) to develop the business relationship necessary for PECO and/or Exelon Energy to successfully offer wind blocks to their customers. PECO Energy and/or Exelon Energy (or its successor EGS) will provide resources to CEI to help CEI develop this program.

39. **Photovoltaic Project.**

a. The Company agrees to provide four million dollars (\$4,000,000.00) to fund a four-year photovoltaic project to purchase, install, finance and/or write down the cost of the minimum number of rooftop units in each year of the project, as indicated below, with at least 1/3 of each year's minimum production operational by May 15 of that year and the remainder operational by the end of the respective year.

- 2001 - 100 Units
- 2002 - 100 Units

---

December, 1999 with wind blocks sold to commercial customers in the PECO service territory. Brent Alderfer, a former Public Utilities Commissioner in Colorado, is President of CEI.

- 2003 - 125 Units
- 2004 - 125 Units

Each unit shall have a capacity ranging from 1.0 kW to 5 kW.

b. The payments to fund the project shall be made in four equal installments to the Sustainable Development Fund ("SDF") within two business days after January 1 of each respective project year, except that in the event the Merger has not been consummated by January 1, 2001, the first payment shall be made on the first business day following said consummation.

c. SDF shall submit a report on this project as a distinct section of each SDF semi-annual report that is required to be submitted to the Commission and the Joint Petitioners pursuant to the SDF bylaws and applicable Commission order(s). Program investments, loans, revenue and expenditures shall be reported in SDF's fiscal audits.

d. The SDF shall use its best efforts to implement the program as described herein and to maximize effective use of the funds to install photovoltaic systems, consistent with its chartered purpose and its normal operating procedures managed by its Board of Directors.

40. **Tariff Issues.**

a. The Company will make changes to Rate RS and Competitive Transition Charge sections of the Electric Service Tariff as reflected in the red-lined versions attached hereto as Appendix A.

b. To effectively implement Rate RS, a committee composed of representatives from PennFuture, CAC, OCA and PECO shall, in consultation with Electric Generation Suppliers ("EGSs"), establish standardized metering and billing practices for that rate.

41. **New Pennsylvania Wind Facilities.**

a. To enable the development of new wind facilities in Pennsylvania, the Company will provide the SDF three payments of four (4) million dollars each for a total amount of twelve (12) million dollars for the development of new wind powered generation projects in Pennsylvania, with the first payment to be made upon the consummation of the merger and the subsequent two payments on the following two anniversaries of that date.

b. The SDF shall submit a report on this project as a distinct section of each SDF semi-annual report that is required to be submitted to the Commission and the Joint Petitioners pursuant to the SDF bylaws and applicable Commission order(s). Program investments, loans, revenue and expenditures shall be reported in the SDF's fiscal audits.

c. The SDF shall use its best efforts to implement the program as described herein and to maximize effective use of the funds to develop new wind facilities in Pennsylvania, consistent with its chartered purpose and its normal operating procedures managed by its Board of Directors. The Company will be able to promote its funding of these facilities.

42. **Renewables Education.**

a. PECO agrees to pay the SDF the amount of five hundred thousand dollars (\$500,000.00) a year for five (5) years to help fund consumer education on electricity from renewable sources, including environmental, financial and technical considerations. Funds shall be payable within two business days after January 1 of each year, except that in the event the merger is not consummated on or before January 1, 2001, the first year's payment shall be made upon consummation of the merger.

b. The SDF shall submit a report on this project as a distinct section of each SDF semi-annual report that is required to be submitted to the Commission and the Joint Petitioners pursuant to the SDF bylaws and applicable Commission order(s). Program investments, loans, revenue and expenditures shall be reported in SDF's fiscal audits.

c. The SDF shall use its best efforts to implement the program as described herein and to maximize effective use of the funds to provide public education on renewable electricity, consistent with its chartered purpose and its normal operating procedures managed by its Board of Directors.

d. In no event may the SDF use the funds provided by PECO to promote the generation product of any particular company.

43. **Sustainable Development Fund.** The Company agrees to accelerate the annual payments otherwise due to the SDF by paying into said fund a lump sum payment of \$9.98 Million before the later of consummation of the merger or January 1, 2001, representing estimated collections during the period January 1, 2001 to December 31, 2006. Such payment shall be in complete satisfaction of all existing obligations of the Company to make payment to the fund and will not be subject to reconciliation.

44. **Interconnection Issues.**

a. **Facilities under 40 kW.** PECO agrees to modify the provisions of its "Requirements for Parallel Operation of Generation," including Appendix II thereto, such that all standards and procedures for certification and interconnection of facilities not exceeding 40 kW are stated within Appendix II. Proposed changes shall be submitted for review and discussion with other parties, as more fully delineated in Subsection B, below, prior to adoption by PECO.

b. **Facilities over 40 kW.** Additionally, in order to facilitate the interconnection of distributed and renewable energy sources, while maintaining system safety and reliability, PECO agrees to review, and adopt, where appropriate, new technical standards, procedural requirements and expense requirements for interconnection. PECO will do so based upon discussions with CAC, PennFuture, the SDF, and other interested parties regarding modifications to the "Requirements for Parallel Operation of Generation," including Appendix II thereto. The revisions to be considered shall provide for: (1) pre-certification of various categories of such facilities to minimize individualized review; (2) standardization of engineering and other pre-interconnection study costs; (3) inclusion of the system benefits of distributed generation in determining distribution system costs charged to the customer and those borne by the system; and (4) incorporation of relevant standards of the Institute of Electronic and Electrical Engineers ("IEEE") and National Fire Protection Association ("NFPA"). Facilitating interconnection by maximizing time, procedural, technical and expense certainty while maintaining system safety and reliability shall be of primary importance in considering any modifications (as discussed above) to the current procedures. After consultation with the interested parties, as described herein, PECO shall make the final determination as to what changes are incorporated. PECO shall not impose any distribution or transmission charges on the interconnecting generator unless such charges are imposed on all similarly situated generators regardless of owner or purchaser, do not duplicate charges to retail customers, and have been approved by the appropriate regulatory agency.

**F. Promoting Competition**

45. **Access to Installed Capacity ("ICAP").** The Joint Petitioners expressly

acknowledge that specified quantities of ICAP will be provided to EGSs pursuant to PECO's FERC Electric Market-Based Rate Tariff or the GenCo successor thereto as described in Appendix C. The Joint Petitioners do not request the Commission to specifically approve the terms of this Appendix C as part of the Joint Petition for Settlement, and the Joint Petitioners acknowledge that Appendix C is referred to here for informational purposes only. The Joint Petitioners further acknowledge that, by referencing and attaching Appendix C, the Joint Petitioners do not intend to confer jurisdiction on the PUC that does not otherwise exist under applicable law.

46. **a. Release of Customer Historical Billing Data.** Via posting on the Success website, or its successor thereto, for all customers who, pursuant to applicable Commission orders, secretarial letters, rules or regulations, have authorized release of their information; PECO shall provide, without charge, to both licensed EGSs and licensed natural gas suppliers ("NGSs") serving PECO customers, twelve individual months of historical monthly electric usage and billed demand and/or gas billing data, as applicable, and as provided to PECO customers. Said data shall be provided per customer account. The website customer lists containing such data shall be maintained until January 1, 2004, unless the Commission shall make a generic determination (whether by order, secretarial letter, rule or regulation) that such program shall continue and, if so, under what terms. Nothing in this Section releases PECO from complying with such a generic determination by the Commission before the effective date of the Merger. The Success website customer lists shall be updated quarterly and shall include individual monthly electric usage and billed demand and/or gas billing data for the most recent twelve month period preceding the respective quarter, for which data is available. However, the lag time shall not exceed 2 billing

cycles. The relevant Supplier Coordination Tariff language shall be attached hereto as Appendix D.

**b. Individual Customer Inquires.** PECO shall make all reasonable efforts to respond within four (4) business days to customer-authorized EGS or NGS requests for individual 12 month historical customer usage and measured and billed demand information as historically provided to customers.

47. **Advance Notice of Process Changes.** PECO Energy agrees to provide EGSs thirty (30) days advance notice of all discretionary, material Electric Choice process changes, such as, for example, load forecasting and reconciliation, and a reasonable opportunity for comment prior to making such changes.

48. **Customer Load Profile Revisions.** If an EGS demonstrates to the Company that a specific customer or customers experienced significant over or under deliveries relative to their load profile(s) for a period of six continuous months, then the Company agrees to have a representative of its Supplier Administration Group meet with the EGS to evaluate whether to assign such customer(s) different prospective load profile(s) and, if such reassignment is justified, to mutually agree to a prospective change in the load profile(s) of such customer(s).

49. **EDI.** PECO and all EGSs shall comply with all electronic data interchange ("EDI") standards and protocols as developed and defined by the Electronic Data Exchange Working Group ("EDEWG") and as approved by the PUC. PECO and all EGSs shall provide an individual point of contact skilled in EDI processes and systems for discussion and remediation of *any process failure or information transfer failure*. All process or information transfer failures caused by PECO or an EGS shall be remediated by the responsible party as soon as reasonably

possible but not to exceed four (4) business days. In the event of frequent and repetitive process or information transfer failures, the responsible party will provide additional resources, including EDI consultants, to meet promptly with the other party's point of contact to identify causal factors and develop a remediation plan for such failures. The responsible party shall inform the other party of the progress of all corrective actions taken. Nothing contained herein shall prevent the party alleging harm from filing a complaint with the PUC or pursuing other available remedies.

50. **Dispute Resolution.** PECO Energy agrees to apply and adhere to the Abbreviated Dispute Resolution Process set forth in Appendix E hereto to resolve disputes involving alleged violations of the Retail Access Code of Conduct, the GenCo Code of Conduct, alleged violations of its Electric Generation Supplier Coordination Tariff or a dispute allegedly affecting or threatening the ability of an entity to provide electric generation or related services to a customer or customers.

51. **PLR Marketing.** Until January 1, 2004, PECO agrees not to market, advertise and promote its Provider of Last Resort ("PLR") service. This agreement, however, shall not preclude PECO from providing objective information to customers of the availability and terms of PLR service as part of a Commission-approved consumer education program or in response to a specific consumer inquiries nor shall it prohibit PECO from continuing to conduct general corporate image advertising concerning, for example, PECO's role as a corporate citizen in the community or the reliability of PECO's distribution system, such as the current "Be Prepared" advertising campaign.

52. **Competitive Default Service.** PECO agrees to revise the currently existing Competitive Default Service ("CDS") auction process as follows:

a. As of April 1, 2000, the Company will issue a Request for Proposal ("RFP") for electric generation supply and capacity only, excluding customer care functions (such as call center, collections and billing, etc.), that requires bids to be received on or before May 1, 2000. The winning bidder will be selected by the Commission by July 1, 2000. As required by the terms of its 1998 Electric Restructuring Settlement, PECO's divisional or affiliated EGSs may not bid, and the RFP will cover 20% of all of PECO's residential customers determined randomly from both shopping and non-shopping customers. The Company will adjust downward, as appropriate, the currently required surety to reflect the reduced risk to the Company associated with bids for only the energy and capacity component of PLR service.

b. In the event no winning bidder is selected through the RFP process, the Company agrees to engage in good faith negotiations with qualified suppliers to enter into a bilateral CDS agreement or agreements between PECO and one or more suppliers for provision of electric generation supply and capacity to the twenty percent (20%) of PECO's residential customers included in the CDS auction. PECO's divisional or affiliated EGSs may not participate in this process. For the bilateral agreements, EGSs are free to propose the stranded cost buy down. Any CDS bilateral agreement(s) resulting from these negotiations shall: (1) include a schedule for implementation; (2) shall not require CDS customers to pay generation rates in excess of the otherwise applicable shopping credits; (3) unless PECO otherwise agrees, shall not impose additional costs on PECO as compared to costs PECO would have incurred if the CDS load had been awarded in accordance with the terms of the 1998 Electric Restructuring Settlement; and (4) shall be filed with the Commission on or before October 1, 2000. Unless expressly provided herein, the CDS provisions in Paragraph 38 of the 1998 Electric Restructuring

Settlement shall remain in effect.

c. In the event that PECO is unable to reach agreement with any supplier on a CDS bilateral agreement by October 1, 2000, or in the event the Commission, by November 1, 2000, modifies, rejects or fails to approve any filed bilateral CDS agreement, and if, on January 1, 2001, less than 35% of all PECO's residential and commercial customers, by class, are obtaining generation service from an alternate EGS or PECO supplier affiliate or division, then PECO shall, as provided in the Company's 1998 Electric Restructuring Settlement, randomly assign, by class, to all licensed suppliers serving residential and/or commercial customers on its system, except PECO's divisional or affiliated EGSs, the percentage of such customers required to fulfill the January 1, 2001 thirty five (35%) market share threshold. Nothing contained herein shall absolve, limit or qualify PECO's obligation to randomly assign, by class, customers sufficient to achieve the 35% target, as set forth in Paragraph M. 39.a. of the 1998 Electric Restructuring Settlement. PECO shall assign said percentage of such customers among eligible suppliers in accordance with Commission-approved procedures. Any such assignment resulting from this process shall not require the assigned customers to pay generation rates in excess of the otherwise applicable shopping credits.

d. If, for reasons beyond PECO's reasonable control, the schedules outlined in Sections 53. a. and/or b., above, are not met, such that PECO is unable to select a CDS provider thereunder by January 1, 2001, then, for purposes of the assignment required by Section 53.c., above, the twenty percent (20%) of customers otherwise covered under Sections 53. a. and b. will nonetheless be included in calculating the required thirty-five percent (35%) market share threshold. Notwithstanding the above, in the event that, by September 1, 2000, a CDS provider

has not been selected pursuant to either Sections 53. a. or b., above, the Company shall, pursuant to the process set forth in Section 53. c., above, assign the percentage of customers necessary to reach the 35% market share threshold. This assignment shall fully satisfy the Company's CDS auction requirement.

53. **Shopping Credits (CTC/ITC True -Up).** The Company will reconcile all Competitive Transition Charge ("CTC") and Intangible Transition Charge ("ITC") (collectively "Transition Charge") revenues on an annual basis in two categories: (a) Residential; and (b) Commercial/Industrial (encompassing all commercial and industrial accounts). This change will become effective for the Section 1307 reconciliation proceeding determining rates for the year 2001. This modification of the reconciliation process will minimize changes to shopping credits in commercial and industrial rate classes by expanding the reconciliation base. The Company will notify customers by bill insert of the applicable shopping credits that result from the annual CTC/ITC reconciliation. Whenever possible, the Company will attempt to provide such notice in advance of the change becoming effective.

54. **"Fresh Start" For Special Contract Customers.** Notwithstanding any contrary contract term or condition, each customer that is party to an existing contract with PECO entered into under Rule 4.6, the Economic Efficiency Rider, the Incremental Process Rider or the Large Interruptible Load Rider of PECO's Tariff Electric-Pa. PUC ("Special Contracts") shall have a unilateral, one-time option to terminate such contract with PECO for Competitive Energy Supply. The customer may exercise the option by providing written notice via certified mail, return receipt requested, to the Vice President, Customer and Marketing Services, PECO Energy Company, 2301 Market Street, Philadelphia, Pennsylvania 19101 to be received during the sixty

(60) day period commencing ninety (90) days after the date of closing on the merger of PECO and Unicom. If exercised, such termination will be effective as of the meter-read date immediately following the expiration of the sixty (60) day exercise period. Customers exercising the "Fresh Start" option will not be subject to an extra-contractual "Fresh Start" penalty or charge, but will be required to fulfill any otherwise applicable contractual obligations for the remainder of the contract term. For customers exercising this option who were parties to Special Contracts as of January 1, 1997, the charges for Electric Delivery Service, which consist of the unbundled charges for distribution services and Transition Charges, shall be those charges as unbundled effective as of January 1, 1999, subject to any applicable increases that result from the expiration of the distribution and/or generation rate caps. Where the Special Contract expressly specifies unbundled charges or methodology, the contract shall govern. For customers who were parties to Special Contracts entered into after December 31, 1996, the charges for Electric Delivery Service shall be the same as those for customers receiving service under Rate HT, unless the Special Contract otherwise specifies those charges. In such case, the Special Contract shall govern.

55. **Information Reporting.** Upon the request of an EGS, PECO will provide to the requesting party a copy of the monthly report filed with the Commission pursuant to the GenCo Code of Conduct, excluding sales by the GenCo to PECO for Provider of Last Resort Service.

56. **Distribution Of A Shopping Guide.** In cooperation with the OCA, PECO will distribute to all of its residential customers copies of the OCA's "Shopping Guide" or a similar shopping guide that shows the prices, relative to PECO's price to compare, being offered by competitive suppliers for residential generation service in PECO's service territory. PECO will

provide copies and distribute the shopping guide at its own expense at least twice per year during calendar years 2000, 2001 and 2002.

**G. Corporate Structure Protections**

57. **Cost of Capital of Regulated Distribution Operations.** The cost of capital used in establishing PECO's rates for retail electric and gas distribution service regulated by the Commission shall not reflect any risk adjustment associated with its corporate parent, Exelon, or any affiliate not regulated by the Commission. For purposes of this section, PECO's cost of capital shall include its cost rates for debt, preferred stock and common equity as applied to PECO's capital structure ratios.

58. **Investment Conditions.** From and after the effective date of this Settlement, PECO shall not: (1) guarantee the debt or credit instruments of Exelon or any affiliate not regulated by the Commission; (2) grant a mortgage or other lien or otherwise pledge as security for repayment of the principal or interest of any loan or credit instrument of Exelon or any affiliate not regulated by the Commission any property used and useful in providing retail utility service to the public subject to the Commission's jurisdiction; or (3) make any loan or otherwise extend credit to Exelon or any affiliate not regulated by the Commission for a term of one year or more. Upon PECO's request, as set forth in a Securities Certificate registration or other appropriate filing, the Commission may waive any one or more of these prohibitions if it finds that PECO's retail customers receiving service subject to the Commission's jurisdiction will be fully protected from bearing any increased costs as a result of granting the requested exception and that such customers will obtain some benefit from the transaction(s) made possible by the requested exception.

59. **Transactions Between PECO and Its Affiliates.** PECO will maintain reasonable accounting controls and other procedures for the allocation of overhead and other costs of jointly used assets and personnel. Such controls and procedures will be designed to provide reasonable assurance that PECO does not bear costs associated with the business activities of affiliated companies, which costs are not regulated by the Commission. PECO will also maintain reasonable pricing protocols for determining transfer prices for transactions between PECO and affiliated companies involved in business activities not regulated by the Commission. PECO will provide for appropriate ratemaking recognition, after expiration of its transmission and distribution rate cap, of all after-tax net proceeds, or other benefits, from the sale to, or use by, affiliates of used and useful utility assets that were allowed in PECO's retail distribution base rates.

60. **Limitation on Affiliate Purchased Power Rate Cap Exception.** PECO agrees that it cannot argue, in any proceeding before the PUC involving the applicability of the rate cap exception (66 Pa. C.S. §2804(4)), that increases in the price of purchased power are outside the control of PECO simply because the purchase is from Exelon Generating Company or another affiliate. PECO agrees that the Call Contract between it and Exelon GENCO, filed with the FERC on December 16, 1999, cannot form the basis of a rate cap exception and that the PUC retains authority to review the reasonableness of rates charged to PECO's retail distribution customers as a result of the Call Contract.

61. **Continuation of Jurisdiction.** The Commission's approval of the Application does not affect PECO's existing legal obligation to comply with all provisions of the Code, including Chapters 11 and 21 thereof.

62. **Access to Books, Records and Personnel.** Upon written request, PECO will provide to the Commission, the OTS, the OCA and the OSBA reasonable access to the books, records, officials and staff of PECO's affiliates not regulated by the Commission to the extent: (1) such affiliates provide goods or services to PECO; and (2) access to such books, records, officials or staff is necessary for the Commission to perform its regulatory oversight responsibility with respect to PECO's purchases of goods or services from those affiliates. PECO agrees to accept service in Philadelphia, Pennsylvania, of any requests made pursuant to these provisions and, in responding to such requests, PECO will make available within the Commonwealth of Pennsylvania the books, records and personnel responsive to those requests. However, nothing set forth herein shall constitute or be interpreted as a waiver by PECO of its right to raise traditional discovery objections to any such requests, including, but not limited to, objections on the basis of relevance and privilege. Additionally, before responding to any such requests, PECO shall be permitted to require the imposition of protections it deems necessary to prohibit disclosure of proprietary or confidential information.

63. **Annual Reports.** PECO shall provide the OCA and the OTS with a copy of its annual report filed with the Securities and Exchange Commission ("SEC") and its Annual Report to Shareholders applicable to each of the years 2001 through 2006.

**H. Corporate Presence And Commitment To Local Communities**

64. **PECO's Corporate Headquarters.** PECO will maintain the corporate headquarters for its distribution business in Philadelphia through at least 2005.

65. **Employment and Staffing Levels.** PECO Energy will maintain employment at 2301 Market Street at no less than 1250 employees through 2003 and will verify compliance with

this provision by filing an annual statement with the Commission. In addition, PECO commits to maintain the staffing levels required to ensure the adequate, efficient, safe, reasonable and reasonably continuous operation of its regulated distribution business.

66. **Contributions.** PECO agrees to maintain at least current levels of charitable and civic giving and economic and community development contributions in Pennsylvania through 2003.

**I. Large Customer Provisions**

67. **Amtrak Options for Transition Charge Buyout.** Amtrak shall have the option to execute a lump-sum buyout of its Transition Charges as set forth in Appendix F. The Commission is requested to approve this provision.

68. **City of Philadelphia Options Under Rule 4.6 Contract.** PECO shall grant the City of Philadelphia additional rights and options under its Rule 4.6 contract, as set forth in Appendix G. The Commission is requested to approve the changes reflected in Appendix G.

**J. General Settlement Provisions**

69. **Effectiveness of Settlement.** The Settlement will go into effect upon the Commission's issuance of a final order approving the Settlement without modification. If the Commission rejects the Settlement, the Settlement automatically will terminate and be null and void. If the Commission, in approving the Settlement, should modify any terms or conditions of the Settlement or add any conditions, any Joint Petitioner may elect to withdraw from the Settlement by filing a notice of withdrawal with the Commission's Secretary and serving a copy thereof upon all Joint Petitioners by facsimile or overnight delivery service within five business days of the entry of the Commission's Order. In addition, the consummation and closing of the

Merger and Corporate Restructuring constitute conditions precedent to the Settlement; provided, however, that Section 53 of the Settlement (dealing with Competitive Default Service), and Sections 69 and 70 of the Settlement (dealing with Commission approvals necessary to consummate the Corporate Restructuring and Merger, withdrawal of intervenors' actions at other agencies and the parties' obligations to support the Settlement), are not subject to these conditions precedent; and provided further that Sections 58 through 63 (dealing with Corporate Structure Protections) shall have as a condition precedent only the consummation of the Corporate Restructuring. Once the Merger and Corporate Restructuring have been consummated and closed, this Settlement and its terms shall be implemented and enforceable notwithstanding the pendency of a petition for reconsideration or a legal challenge to the Commission's approval of this Joint Petition and Settlement unless such implementation and enforcement of the Settlement is stayed or enjoined by the Commission, another regulatory agency, or a court having competent jurisdiction over the matter.

70. **All Issues Resolved.** The Settlement resolves with prejudice all issues related to PECO's Application for Merger and Corporate Restructuring. The approvals requested in PECO's Application are approved, as modified by the Settlement. This Settlement precludes the Joint Petitioners from asserting contrary positions in derogation of this Settlement with respect to any issue addressed herein during subsequent litigation against PECO; provided, however, that this Settlement is made without admission against or prejudice to any factual or legal positions which any of the Joint Petitioners may assert in (a) the subsequent litigation of this proceeding in the event that the Commission does not issue a final, non-appealable Order approving this Settlement without modification; or (b) in any proceeding involving another Pennsylvania utility.

This Settlement is determinative and conclusive of all of the issues addressed herein and constitutes a final adjudication as to the Joint Petitioners of the matters thereof. All Joint Petitioners shall support the Settlement and make reasonable and good faith efforts to obtain approval of the Settlement by the Commission and any Courts.

71. **Intervenors to Withdraw Other Actions.** All Joint Petitioners other than PECO (“Intervenors”) shall, immediately upon entry of a final Commission order approving the Settlement, withdraw any actions, interventions or protests filed and terminate all other participation, formal or informal, direct or indirect, by such Intervenors and their affiliates in all proceedings involving or related to the Merger, the Corporate Restructuring, the comparable corporate restructuring of Unicom and Commonwealth Edison and related transfers of assets and transactions thereunder before other agencies or courts including, but not limited to, FERC, SEC, NRC, DOJ, FTC, FCC, IRS, and Illinois Commerce Commission (“Other Forum”).<sup>12</sup> Upon execution of the Joint Petition, Intervenors and their affiliates shall not initiate any such action, protest, intervention or participation before any Other Forum; provided, however, if, before the Commission enters an order granting, denying or modifying this Joint Petition, a filing is required in a proceeding before an Other Forum which, if not made, would cause the Intervenor to waive its right to participate in such proceeding in the event this Settlement is not approved, a filing, which does not state a position adverse to PECO in such proceeding, may be filed to preserve such Intervenor’s right to participate in such proceeding. Any such filing will be withdrawn immediately upon entry of a final Commission order approving the Settlement. Additionally, if

---

<sup>12</sup> However, this provision does not require any Intervenor to withdraw from the FERC proceeding at Docket No. EL00-25-000 wherein Commonwealth Edison, et al., requested a declaratory order containing, inter alia, findings that an independent transmission company subject to oversight by the Midwest Independent Transmission System Operator would have the characteristics and would fulfill the functions of a Regional Transmission Operator (“RTO”) under FERC’s Notice of Proposed Rulemaking at Docket No. RM99-2-000.

any court reverses, vacates or modifies the Commission's final order approving the Settlement, the Intervenor may intervene or revive a prior intervention in any then-pending proceeding in an Other Forum and, in that event, PECO shall not object to such intervention or revival on the grounds that it is untimely.

72. **Other Proceedings.** Acknowledging that it is expressly understood and agreed that the Settlement constitutes a negotiated resolution solely of issues addressed herein, the Merger and the Corporate Restructuring, the Joint Petitioners agree that this Settlement shall not constitute or be cited as controlling precedent in any other proceeding, including a proceeding involving a merger or an acquisition by another Pennsylvania electric utility.

73. Unless expressly modified by this Settlement, all of the terms and conditions of the 1998 Electric Restructuring Settlement remain in full force and effect.

#### IV. PUBLIC INTEREST CONSIDERATIONS

The Joint Petitioners submit that this Settlement is in the public interest and should be approved in full for the following reasons:

74. **Rates Will Be Reduced.** The Settlement provides for \$200 million of rate reductions over a four-year period commencing January 1, 2002.

75. **Transmission And Distribution Charges Will Be Capped For An Additional Eighteen Months.** The Settlement extends the cap on PECO's transmission and distribution charges, which otherwise would expire on June 30, 2005 under the 1998 Electric Restructuring Settlement, until December 31, 2006.

76. **Post-Cap Distribution Rate Increases Will Be Mitigated.** The Merger will create the opportunity to achieve cost savings through the sharing of best practices, purchasing

economies and the elimination of duplicative functions. In addition, PECO has agreed that any future increases in nuclear decommissioning costs will be shared between shareholders and customers.

77. **Reliability And Customer Service Will Be Enhanced.** The Settlement requires PECO to develop enhanced reliability and customer service standards and to hold management and supervisory personnel accountable if those standards are not met.

78. **Competition Will Be Promoted.** The separation of electric generation and marketing functions from regulated delivery services will facilitate compliance with the Code of Conduct and Competitive Safeguards (GenCo Code of Conduct) adopted as part of the 1998 Electric Restructuring Settlement. In addition, the Settlement promotes increased retail electric competition in PECO's service area through power sale commitments under its FERC market-based tariff; grants special contract customers a sixty-day "fresh start"; facilitates the exchange of information between PECO and third party suppliers; imposes restrictions on PECO's promotion of its provider of last resort (PLR) service; implements an Abbreviated Dispute Resolution Process; and establishes transition cost reconciliation procedures designed to reduce annual swings in shopping credits.

79. **Universal Service Coverage Will Be Expanded.** The Settlement removes the 100,000 customer limit on the CAP Program, reduces the level of cost recovery of the Universal Service Program, calls for consideration of institution of a "special needs" program and provides for additional contributions by PECO to county fuel fund agencies in PECO's service territory.

80. **The Environment Will Benefit.** The Settlement promotes the use of renewable energy sources through the funding of one of the largest investments in wind generation in the

Eastern United States; educational outreach; the development and/or funding of a retail wind block program; the development of photovoltaic generation; expanded availability of Rate RS for renewable energy installations; and the acceleration of payments to the Sustainable Development Fund.

**81. Customers Will Be Protected Against Unregulated Risk And Cross-Subsidization.** One of PECO's objectives in adopting a holding company structure is to insulate utility customers from the risks attendant to unregulated businesses. Consistent with that objective, the Settlement provides that the determination of regulated rates shall not be affected by the success or failure of nonregulated businesses; requires PECO to adhere to reasonable accounting controls and pricing protocols in its dealings with affiliates; imposes conditions on PECO's extension of credit; and ensures reasonable access to the books, records and personnel of affiliated entities.

**82. PECO Will Maintain A Strong Corporate Presence In Southeastern Pennsylvania.** The Settlement ensures that PECO will maintain corporate staffing at 2301 Market Street at no less than 1250 through 2003 and maintain charitable and civic giving in Pennsylvania at no less than current levels through 2003.

**83. Substantial Litigation And Associated Costs Will Be Avoided.** The Settlement amicably and expeditiously resolves a number of important and contentious issues. The administrative and appellate burden and costs to litigate these matters to conclusion would be substantial.

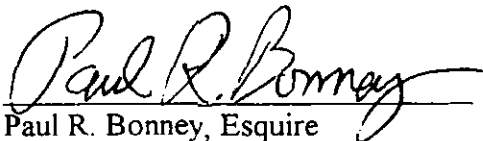
**84. The Settlement Is Consistent With Commission Policies Promoting Negotiated Settlements.** The Joint Petitioners arrived at the Settlement terms after conducting

extensive discovery and engaging in in-depth discussions over many weeks. The Settlement terms and conditions constitute a carefully crafted package representing reasonable negotiated compromises on the issues addressed herein. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (see 52 Pa. Code §§ 5.231, 69.391, 69.401) and Chairman Quain's admonition specific to this proceeding that the parties "work diligently, in the spirit of compromise repeatedly endorsed by this Commission, to reach an amicable resolution of this matter, if at all possible." *See Separate Statement of John M. Quain, Chairman, issued March 2, 2000 in conjunction with the PUC's Order denying PECO's Petition for certification of the record under Section 335(a).*

## V. CONCLUSION

WHEREFORE, the Joint Petitioners, intending to be legally bound, respectfully request that the Commission: (1) approve this Joint Petition, including all terms and conditions contained herein, without modification; (2) issue Certificates of Public Convenience under Section 1102 of the Code authorizing the proposed Corporate Restructuring and Merger and the transfer of assets contemplated therein; (3) approve the agreements with affiliated interests attached as Exhibits "H-1", "H-2" and "H-3" to the Application; (4) make the findings required by Sections 2210 and 2811(e) of the Code; (5) make the findings required by Sections 32(c) and 32(k) of the Public Utility Holding Company Act regarding EWG status; (6) approve the Tariff Supplements attached as Appendix A to become effective pursuant to terms set forth therein; and (7) terminate and mark closed the proceedings at Docket No. A-110550F0147.

Respectfully submitted,



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

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

---

Irwin A. Popowsky, Esquire  
Tanya McCloskey, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101  
For the Office of Consumer Advocate

## V. CONCLUSION


WHEREFORE, the Joint Petitioners, intending to be legally bound, respectfully request that the Commission: (1) approve this Joint Petition, including all terms and conditions contained herein, without modification; (2) issue Certificates of Public Convenience under Section 1102 of the Code authorizing the proposed Corporate Restructuring and Merger and the transfer of assets contemplated therein; (3) approve the agreements with affiliated interests attached as Exhibits "H-1", "H-2" and "H-3" to the Application; (4) make the findings required by Sections 2210 and 2811(e) of the Code; (5) make the findings required by Sections 32(c) and 32(k) of the Public Utility Holding Company Act regarding EWG status; (6) approve the Tariff Supplements attached as Appendix A to become effective pursuant to terms set forth therein; and (7) terminate and mark closed the proceedings at Docket No. A-110550F0147.

Respectfully submitted,

---

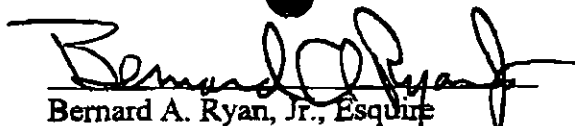
Paul R. Bonney, Esquire  
Ward L. Smith, Esquire  
Delia W. Stroud, Esquire  
Kent D. Murphy, Esquire  
PECO Energy Company  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101-8699

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

  
Irwin A. Popowsky, Esquire  
Tanya McCloskey, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101  
For the Office of Consumer Advocate



Kenneth L. Mickens, Esquire  
Kandace F. Melillo, Esquire  
Pennsylvania Public Utility Commission  
Office of Trial Staff  
P.O. Box 3255  
Harrisburg, PA 17105-3265  
For the Office of Trial Staff



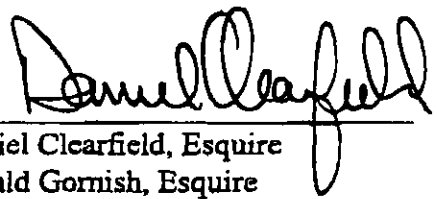
Bernard A. Ryan, Jr., Esquire  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101  
For the Office of Small Business Advocate

---

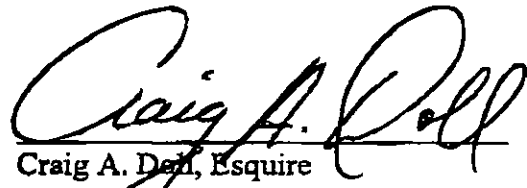
John Hanger, Esquire  
Peter Meadows Adels, Esquire  
117 S. 17th Street, Suite 1801  
Philadelphia, PA 19103  
For Citizens for Pennsylvania's Future  
et al.



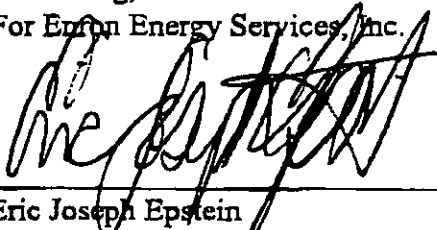
Christopher B. Craig, Esquire  
Senate Democratic Appropriations  
Committee  
Room 545, Main Capitol Building  
Harrisburg, PA 17120  
For State Senator Vincent J. Fumo



Daniel Clearfield, Esquire  
Gerald Gornish, Esquire  
Kevin Moody, Esquire  
Wolf, Block, Schorr & Solis-Cohen LLP  
212 Locust Street, Suite 300  
Harrisburg, PA 17101  
For Enron Energy Services, Inc.



Craig A. Dell, Esquire  
214 State Street  
Harrisburg, PA 17101-1108  
For Conectiv Energy




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

---

Michael Fiorentino, Esquire  
Joseph Otis Minott, Esquire  
105 N. Front Street, Suite 106  
Harrisburg, PA 17101  
For Clean Air Council

---

Kenneth L. Mickens, Esquire  
Kandace F. Melillo, Esquire  
Pennsylvania Public Utility Commission  
Office of Trial Staff  
P.O. Box 3255  
Harrisburg, PA 17105-3265  
For the Office of Trial Staff



---

John Hanger, Esquire  
Peter Meadows Adels, Esquire  
117 S. 17th Street, Suite 1801  
Philadelphia, PA 19103  
For Citizens for Pennsylvania's Future  
et al.

---

Daniel Clearfield, Esquire  
Gerald Gornish, Esquire  
Kevin Moody, Esquire  
Wolf, Block, Schorr & Solis-Cohen LLP  
212 Locust Street, Suite 300  
Harrisburg, PA 17101  
For Enron Energy Services, Inc.

---

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

---

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

---

Christopher B. Craig, Esquire  
Senate Democratic Appropriations  
Committee  
Room 545, Main Capitol Building  
Harrisburg, PA 17120  
For State Senator Vincent J. Fumo

---

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

---

Michael Fiorentino, Esquire  
Joseph Otis Minott, Esquire  
105 N. Front Street, Suite 106  
Harrisburg, PA 17101  
For Clean Air Council

---

Kenneth L. Mickens, Esquire  
Kandace F. Melillo, Esquire  
Pennsylvania Public Utility Commission  
Office of Trial Staff  
P.O. Box 3255  
Harrisburg, PA 17105-3265  
For the Office of Trial Staff

---

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

---

John Hanger, Esquire  
Peter Meadows Adels, Esquire  
117 S. 17th Street, Suite 1801  
Philadelphia, PA 19103  
For Citizens for Pennsylvania's Future  
et al.

---

Christopher B. Craig, Esquire  
Senate Democratic Appropriations  
Committee  
Room 545, Main Capitol Building  
Harrisburg, PA 17120  
For State Senator Vincent J. Fumo

---

Daniel Clearfield, Esquire  
Gerald Gornish, Esquire  
Kevin Moody, Esquire  
Wolf, Block, Schorr & Solis-Cohen LLP  
212 Locust Street, Suite 300  
Harrisburg, PA 17101  
For Enron Energy Services, Inc.


---

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

---

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

---

  
Michael Fiorentino, Esquire  
Joseph Otis Minott, Esquire  
105 N. Front Street, Suite 106  
Harrisburg, PA 17101  
For Clean Air Council

*Philip A Bertocci*

---

Philip A. Bertocci, Esquire  
Edward A. McCool, Esquire  
Community Legal Service  
1425 Chestnut Street  
Philadelphia, PA 19102  
For CEPA, ACORN, TAG and Action  
Alliance

---

David M. Kleppinger, Esquire  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
For the Philadelphia Area Industrial Energy  
Users Group

---

Patricia McNamara  
6048 Ogontz Avenue  
Philadelphia, PA 19141  
Pro Se

---

David M. Kleppinger, Esquire  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
For Industrial Energy Consumers of  
Pennsylvania

---

Marc Machlin, Esquire  
Pepper Hamilton LLP  
600 14<sup>th</sup> Street, NW  
Washington, DC 20005  
For the National Railroad Passenger  
Corporation

---

Joseph A. Dworetzky, Esquire  
Hangley, Aronchick Segal & Pudlin  
One Logan Square, 27th Floor  
Philadelphia, PA 19103  
For the Mid-Atlantic Power Supply  
Association

---

Philip A. Bertocci, Esquire  
Edward A. McCool, Esquire  
Community Legal Service  
1425 Chestnut Street  
Philadelphia, PA 19102  
For CEPA, ACORN, TAG and Action  
Alliance

---

Patricia McNamara  
6048 Ogontz Avenue  
Philadelphia, PA 19141  
Pro Se

---

Marc Machlin, Esquire  
Pepper Hamilton LLP  
600 14<sup>th</sup> Street, NW  
Washington, DC 20005  
For the National Railroad Passenger  
Corporation

*David M. Kleppinger*  
David M. Kleppinger, Esquire  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
For the Philadelphia Area Industrial Energy  
Users Group

*David M. Kleppinger*  
David M. Kleppinger, Esquire  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
For Industrial Energy Consumers of  
Pennsylvania

---

Joseph A. Dworetzky, Esquire  
Hangley, Aronchick Segal & Pudlin  
One Logan Square, 27th Floor  
Philadelphia, PA 19103  
For the Mid-Atlantic Power Supply  
Association

FROM : 1500783-23 15143 WS41 P.02/02

---

Philip A. Bertocci, Esquire  
Edward A. McCool, Esquire  
Community Legal Service  
1425 Chestnut Street  
Philadelphia, PA 19102  
For CEPA, ACORN, TAG and Action  
Alliance

---

Patricia McNamara  
6048 Ogontz Avenue  
Philadelphia, PA 19141  
Pro Se

---


Marc Machlin, Esquire  
Pepper Hamilton LLP  
600 14<sup>th</sup> Street, NW  
Washington, DC 20005  
For the National Railroad Passenger  
Corporation

---

David M. Kleppinger, Esquire  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
For the Philadelphia Area Industrial Energy  
Users Group

---

David M. Kleppinger, Esquire  
McNees, Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17108  
For Industrial Energy Consumers of  
Pennsylvania

  
Joseph A. Dworetzky, Esquire  
Hangley, Aronchick Segal & Pudlin  
One Logan Square, 27th Floor  
Philadelphia, PA 19103  
For the Mid-Atlantic Power Supply  
Association

---

John L. Munsch, Esquire  
800 Cabin Hill Drive  
Greensburg, PA 15601  
For Allegheny Power

---

Patricia J. Clark, Esquire  
800 Cabin Hill Drive  
Greensburg, PA 15601  
For Allegheny Energy Supply Company

---

Carville B. Collins, Esquire  
Piper, Marbury, Rudnick & Wolfe, LLP  
36 South Charles Street  
Baltimore, MD 21201-3018  
For NewEnergy East, L.L.C.

*Marc Machlin (WRF)*  
Marc Machlin, Esquire  
Pepper Hamilton LLP  
600 14th Street, NW  
Washington, DC 20005  
For the National Railroad Passenger  
Corporation

---

Patricia McNamara  
6048 Ogontz Avenue  
Philadelphia, PA 19141  
Pro Se

---

Gregory J. Pastore  
619 Pemberton Street  
Philadelphia, PA 19147  
Pro Se

---

John L. Munsch, Esquire  
800 Cabin Hill Drive  
Greensburg, PA 15601  
For Allegheny Power

---

Patricia J. Clark, Esquire  
800 Cabin Hill Drive  
Greensburg, PA 15601  
For Allegheny Energy Supply Company

---

Cerville B. Collins, Esquire  
Piper, Marbury, Rudnick & Wolfe, LLP  
36 South Charles Street  
Baltimore, MD 21201-3018  
For NewEnergy East, L.L.C.

*Marc Machlin (WRP)*  


---

 Marc Machlin, Esquire  
Pepper Hamilton LLP  
600 14th Street, NW  
Washington, DC 20005  
For the National Railroad Passenger  
Corporation

---

Patricia McNamara  
6048 Ogontz Avenue  
Philadelphia, PA 19141  
Pro Se

---

Gregory J. Pastore  
619 Pemberton Street  
Philadelphia, PA 19147  
Pro Se

*David M. Kleppinger*  


---

 David M. Kleppinger, Esquire  
McNees, Wallace & Nurick  
100 Pine Street  
P. O. Box 1166  
Harrisburg, PA 17108-1166  
For the City of Philadelphia

*David I. Fein*

David I. Fein  
Piper Marbury Rudnick & Wolfe  
203 N. LaSalle St. #1500  
Chicago, IL 60601  
For NewEnergy East, L.L.C.

**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 : APPLICATION  
CREATION OF A HOLDING COMPANY : DOCKET NO. A-110550F0147  
AND (2) THE MERGER OF THE NEWLY :  
FORMED HOLDING COMPANY AND :  
UNICOM CORPORATION :**

**VOLUME II**

**APPENDICES TO JOINT PETITION FOR SETTLEMENT**

<b>APPENDIX A</b>	<b>Distribution Tariff and Proof of Revenues</b>
<b>APPENDIX B</b>	<b>Nuclear Monitoring and Waste Storage Agreement</b>
<b>APPENDIX C</b>	<b>Access To Installed Capacity ("ICAP")</b>
<b>APPENDIX D</b>	<b>Supplier Coordination Tariffs</b>
<b>APPENDIX E</b>	<b>Abbreviated Dispute Resolution Process</b>
<b>APPENDIX F</b>	<b>Amtrak Options for Transition Charge Buyout</b>
<b>APPENDIX G</b>	<b>City of Philadelphia</b>

**March 24, 2000**

**REVISED APPENDIX A**

COMPETITIVE TRANSITION CHARGE (CTC)

Incorporated into the tariff rate schedules is the applicable non-bypassable Competitive Transition Charge (CTC) authorized to recover PECO Energy's approved Transition or Stranded Costs plus a 10.75% return and applicable Pennsylvania Gross Receipts Tax (Pa GRT). Each customer will be charged their full CTC allocable to their use of the transmission and distribution system. As an alternative means of collecting the CTC, individual customers and PECO Energy may mutually agree to a payment schedule that fully collects the same present value without bypass by the customer or overcollection by PECO Energy. For purposes of determining such a payment schedule, the Company will follow the provisions contained in paragraph 25 of the Joint Petition for Full Settlement.

Special Rules for On-Site Generation

To ensure that customers that use on-site generation equipment that operates in parallel with PECO Energy's transmission and distribution system pay their fully allocated share of Transition or Stranded Costs through the Company's CTC/ITC, to be reflected in the Reconciliation set forth below, the Company will follow the following procedure:

1. For all customers served under the Auxiliary Service Rider, PECO Energy will determine annually, following completion of each calendar year during which it is charging a CTC/ITC, whether any such customer purchased at least 10% fewer kilowatt-hours through PECO Energy's transmission and distribution system than the customer purchased during the applicable base year as defined below.
2. Base Year definition: For customers who begin service under the Auxiliary Service Rider on or after January 1, 1997, the base year will be the immediate prior calendar year. For all other Auxiliary Service Rider customers, the base year will be 1996.
3. For all such customers, PECO Energy will then determine the extent to which the reason for the reduction is use of on-site generation equipment. If this cannot be determined using metering data otherwise available to the Company, the customer will be required to provide metering data for its generator, or of its load served by that generator.
4. If the Company determines that the ratio expressed as a percentage between: (1) the amount of the usage difference caused by the on-site generation; and (2) the base year usage, is 10% or more, then the Company will render a separate bill to the customer that is equal to the difference between: (1) the total CTC/ITC amount that the customer would have paid in the just completed calendar year using monthly usage and demand data for the base year (adjusted for any portion that is not related to on-site generation); and (2) the total CTC/ITC amount that the customer did pay in the just completed calendar year.
5. The separate bill will be issued in the first quarter of the new calendar year, and will be due within thirty (30) days of the issuance date printed on the bill.

Alternatively, for existing industrial and commercial customers whose peak load during 1996 was at least four (4) megawatts, and who can document that they were actively self generating or considering self-generation as of December 31, 1996 or earlier, will pay CTC/ITC charges following full start-up of any self-generation facility they install before December 31, 2010 as follows:

- i. PECO Energy will calculate the customer's average billing demand and energy usage for calendar year 1996;
- ii. Using those billing determinants PECO Energy will determine the dollar amount that would be charged where the customer billed for CTC/ITC using the prevailing Rate HT CTC/ITC charges;
- iii. PECO Energy will bill the customer one-third of the dollar amount determined in accordance with step 2.

This provision shall not apply to customers served under the annual reconciliation provision of Rate RS.

(C)

Reconciliation of Transition or Stranded Cost Recovery (CTC/ITC)

The Company shall file an annual reconciliation of the CTC recovery (including ITC recovery) on a rate class specific (i.e. Residential and Commercial/Industrial, i.e., in accordance with Appendix E Paragraph 53 of the Joint Petition for Full Settlement at Docket No. A-110550F0147) basis in accordance with Section 1307(e) of the Pennsylvania Public Utility Code. The reconciliation during calendar year 2010 will be done quarterly or, if necessary, monthly in order to insure full CTC recovery and termination by December 31, 2010. The reconciliation will include a redetermination of the CTC rates necessary to refund or recover previous over or under recoveries of the Annual CTC Revenue Requirement based upon the difference between CTC revenue from actual usage of the PECO Energy transmission and distribution system by rate class and the assumed level of CTC revenue for the class based upon sales in Appendix E of the Joint Petition for Full Settlement.

(C)

Accordingly, the adjusted CTC rates will be calculated to produce the level of CTC revenue that will make the actual unamortized Transition or Stranded Cost principal balance at the next true-up date equal to the projected balance at that date (as set forth in on Sheet 3 of 3 of Appendix E of the Joint Petition for Full Settlement incorporating a 10.75% interest rate and applicable Pa GRT). Sales for each true-up period shall be determined by assuming, as shown in Appendix E of the Joint Petition for Full Settlement, a total sales level in 1999 of 33,569,358 MWH and increasing such sales level for each rate class by 0.8% on an annual basis, unless it is apparent that such methodology would significantly over or under recover the Annual CTC Revenue Requirement for the following year, in which case the Company will propose an adjusted sales level that reflects actual sales and updated sales projections for the following year.

(C)

(C) Indicates Change.

PECO Energy Company

**NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA)**

The NDCA provides for the recovery of nuclear decommissioning costs related to the Company's Ownership Interest in Nuclear Generation as of 12/31/99. The NDCA shall be charged to all customers taking service under this Tariff. The adjustment shall be a cents per kWh charge calculated to the nearest one hundredth of one cent. (C)

The Company's Ownership interest in nuclear generation as of December 31, 1999 consists of the following: (C)

Peach Bottom 1	100%
Peach Bottom 2	42.49%
Peach Bottom 3	42.49%
Salem 1	42.59%
Salem 2	42.59%
Limerick 1	100%
Limerick 2	100%

Formula

The following formula shall be used to determine the NDCA.

$$NDCA = \frac{\text{PaPUC Authorized Decommissioning Expense Adjustment}}{\text{Total Pennsylvania Jurisdictional Sales for Calculation Year}}$$

Where:

PaPUC Authorized Decommissioning Expense Adjustment

(Adjusted Annual Accrual - Base Accrual) x .95 = the amount allowed by the PaPUC Adjusted Annual Accrual for retail electric cost of service in the Calculation Year less the Base amount Accrual. The initial amount is 0. (C)

Total Pennsylvania Retail Jurisdictional Sales = total kWh sales under this Tariff for the calculation year including sales for distribution or CTC purposes.

Calculation Year = year in which the Company proposes a change to the NDCA. To the extent a new cost study, performed every five years, indicates the Company requires an adjustment in the rate, the Company shall change the NDCA to reflect such new expense level. In calculating the annual expense the Company shall use the sinking fund methodology.

Adjusted Annual Accrual = accrual necessary to fund the Adjusted Obligation.

Adjusted Obligation = Gross Decommissioning Obligation reduced by \$50 million for ratemaking purposes.

Gross Decommissioning Obligation - The total decommissioning cost obligation as approved by the Commission as expressed in escalated future dollars.

Methodology for Calculating Expense

The base period expense shall be based upon the decommissioning costs set forth in the table below. The Company shall use a sinking fund methodology to determine the appropriate level of decommissioning expense. The assumptions shall be consistent with NRC policy and requirements.

The Base level of expense Accrual shall consist of the following levels for each unit. (C)

Peach Bottom 1	\$2,992,000
Peach Bottom 2	2,588,000
Peach Bottom 3	5,976,000
Salem 1	2,651,000
Salem 2	2,509,000
Limerick 1	4,403,000
Limerick 2	8,043,000
Total	\$29,162,000

Frequency of Calculation

The annual expense shall be recalculated every five years. The Company shall adjust the NDCA to reflect the new expense level 60 days after filing the new study and the associated rate calculation with the PaPUC. The first calculation of the NDCA shall be considered to have taken place on January 1, 1998.

Completion of Decommissioning

In the event that the actual expenditures necessary to accomplish full decommissioning of the PECO Interest are less than the full balance in the funds established for such purpose, PECO shall be entitled to a release of such funds to PECO for the purpose of sharing the amount between ratepayers and shareholders. In the event that such release is granted, PECO's shareholders shall be entitled to retain (1) the first \$50 million of the net after-tax amount and (2) 5 percent of the remaining net after-tax amount of the released funds. (C)

(C) Denotes Change

Issued

Effective

PECO Energy Company

Universal Service Fund Charge (USFC)

PROVISIONS FOR RECOVERY OF USFC

The Variable Distribution Service Charges for applicable service rates shall be adjusted and reconciled in accordance with paragraphs 33 and 34 of the Joint Petition for Full Settlement as modified by paragraphs 35 and 37 of the Settlement at Docket No. A-110550F0147.

PECO Energy Company

Universal Service Fund Charge (USFC)

PROVISIONS FOR RECOVERY OF USFC

The Variable Distribution Service Charges for applicable service rates shall be adjusted and reconciled in accordance with Paragraph X of the Joint Petition for Settlement of the Gas Restructuring at Docket No. 994787 as modified by Paragraphs 36 and 37 of the Joint Petition for Settlement at Docket No.A-110550F0147.

RATE R-S RENEWABLE ENERGY SERVICE**AVAILABILITY.**

Single-phase Electric service in the entire territory of the Company for a customer served under Rate R, Rate R-H, Rate R-T or Rate GS, that has installed a device or devices that are, in PECO Energy's sole judgment, a bona fide technology for use in generating electricity from qualifying renewable energy installations not exceeding 40 40 kW, and that will be operated in parallel with the Company's system. Qualifying renewable energy installations include solar panels, wind, hydro, biomass, methane field, and fuel cell generation. The customer's equipment must conform to the installation requirements contained in Appendix II of the Company's published "Requirements For Parallel Operation Of Generation." The Company will modify its distribution and transmission facilities as necessary to interconnect with the customer at a single point. A customer will be charged for all modifications, additions or retirements made to provide the interconnection, in excess of \$1000 in accordance with Appendix II of the "Requirements for Parallel Operation of Generation."

(Not available when the source of supply is service purchased from a neighboring Company under Rate BLI Borderline Interchange Service.)

**METERING/BILLING PROVISIONS.**

A customer may select one of the following billing and metering options in conjunction with the Applicable Rate R, Rate R-H, Rate R-T or Rate GS charges, whether receiving generation services and selling excess energy to the Company or an EGS.

(a) A non-ratcheted, bi-directional meter, such as the existing meter at the facility, may be used to record net energy sales to the customer.

(b) Two meters may be installed. One will measure the energy delivered by the Company that the customer uses, and the other will measure the energy delivered to the Company from the customer that is generated by the customer's qualified renewable energy installation.

(c) PECO Energy shall provide such other Qualified Meters on such terms as shall be approved by the Commission.

~~Provisions (a), (b) and (c) each assume that the customer remains with PECO Energy for their energy supply, metering and billing. A customer desiring Competitive Energy Supply and/or competitive billing from an EGS, and/or Advanced Meter Services from an AMSP must contact these parties to determine whether they support this rate and an appropriate metering/billing provision as listed above (options (a)-(b) or (c)). PECO will also provide metering and/or billing to a customer contracting for the purchase and/or sale of energy from an EGS providing net metering service. A customer may also arrange for competitive billing from an EGS, and/or Advanced Meter Services from an AMSP.~~

If, in any billing month, the amount of energy delivered by the Company under Option (b) or (c) that the customer uses is greater than the amount of energy the customer delivered to the Company, then the Company will bill the customer for the difference in all usage based charges on a per kwh basis pursuant to the applicable Rate R, RH, RT or GS rate schedule. If, in any billing month, the amount of energy delivered by the Company under Option (b) or (c) that the customer uses is less than the amount of energy the customer delivered to the Company, the Company will not bill the customer for any usage based charges on a per kwh basis and will pay the customer under Option (b) or (c) for the excess using the monthly average PJM billing rate, market clearing price, or its successor. For customers with Rate R-T, and the appropriate metering equipment (Option(c)), the billing will reflect the on-peak and off-peak generation and use and a metering charge under Option ( C ) will apply. A monthly meter charge shall apply if Option (b) or (c) is selected. A customer may sell any excess energy to an EGS other than PECO Energy at prices agreed upon between the customer and the EGS. ~~However, the customer must pay the appropriate Variable Distribution Service Charges on this excess energy.~~

**CURRENT CHARACTERISTICS.**

Standard single-phase secondary service as defined under the qualifying rate schedule.

**METERING CHARGE:** Under Option (a), service under R-S includes no metering charges in addition to any metering or Fixed Distribution Service Charge under the applicable rate schedule. Customers under Options (b) or (c), who receive metering service from an AMSP shall receive as a credit for the meter a portion of the Fixed Distribution Service Charge under their applicable rate schedule. Customers under Rate RT or taking Options (b) or (c) shall only pay the incremental cost over their existing meter charges.

Option (b) - \$ 4.46

Option (c) - meter cost shall be based upon the net incremental cost of purchasing and installing the new metering equipment as approved by the Commission.

**MONTHLY RATE TABLE FOR NET ENERGY USED BY CUSTOMER.** (See Applicable Rate R, Rate R-H, Rate RT or Rate GS for charges.).

**MINIMUM CHARGE:** The minimum charge per month will be the Fixed Distribution Service Charge for the applicable Rate R, Rate R-H, Rate R-T or Rate GS Service and the metering charge if the customer has selected Option(b) or Option(c).

~~If the renewable energy installation generates more electricity than the customer uses in any billing month, then the customer will not be charged for any energy usage, but the customer will not be paid by the Company for the excess energy delivered to PECO Energy. No dual metering charge shall apply.~~

Customers receiving service under metering/billing Option (a): If the renewable energy installation generates more electricity than the customer uses in any billing month, then the customer will not be charged for any energy usage, but the customer will not be paid by the Company for the excess energy delivered to PECO Energy.

Customers receiving service under metering/billing Option (b) or (c): the customer shall not be charged for any energy received from the Company that is less than the amount delivered to the Company in the billing month but shall be paid an

amount for such excess delivered to the Company as described below. If the customer receives more energy from the Company than is delivered to the Company, the customer shall be billed for the excess energy and capacity pursuant to the applicable Rate R, Rate R-H, Rate RT or Rate GS Charges. For customers that deliver more energy to the Company than is received from the Company, PECO will pay for the excess energy using the monthly average PJM market clearing price, or its successor. Customers receiving service in conjunction with Rate R-T shall be paid for excess energy delivered to the Company at the monthly average PJM peak and/or off-peak rates as applicable.

**ANNUAL RECONCILIATION PROVISION**

The annual reconciliation provision is limited to 4 MW of qualifying capacity in 2001. The limit shall increase by 2 MW per year thereafter.

Under this provision energy charges will be subject to annual reconciliation. PECO Energy shall reconcile the monthly usage based charges on a per kWh basis for each calendar year based upon an annual summary bill issued by March 1 each year. The summary bill will identify the reconciliation period total of all monthly net deliveries to the Company and the total of all monthly net deliveries to the customer on a per kWh basis. If the net kWh delivered to the Company from the customer exceeds the net kWh delivered to the customer for the reconciliation period, the Company will refund any overpayment at the applicable per/kWh charge, or credit any outstanding bills at that applicable charge. For customers using Rate R-S in conjunction with Rate R-T, the Company shall reconcile on-peak and off-peak usage separately.

Customers contracting with an EGS for energy and capacity: Charges and/or credits for energy shall be determined pursuant to the customer/EGS agreement.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RATE.

**CONTRACT TERM.**

Not less than twelve months.

**PAYMENT TERMS.**

Standard

2002 Unbundled Revenue

	Sales (MWh)	Total Rev (1)	Transmission (2)	Distribution (3)	Allocation of \$60,000,000		New Distribution (3a)	CTC (4)	Market Energy (5)=1-2-3-4
					Alloc %	\$ (60,000,000) Allocation			
HT	14,542,215	1,001,069,782	51,190,027	111,301,827	12.83%	(7,696,354)	103,605,473	294,256,898	552,017,384
EP	654,254	47,847,292	2,373,227	7,478,499	0.86%	(517,127)	6,961,372	13,352,431	25,160,262
PD	1,107,824	105,130,656	5,183,690	20,019,844	2.31%	(1,384,342)	18,635,502	29,212,312	52,099,152
GS	6,756,312	774,562,157	39,838,587	144,898,335	16.70%	(10,019,502)	134,878,833	224,960,668	374,884,068
GS	6,715,671	769,978,781	39,602,848	144,040,917	16.60%	(9,960,213)	134,080,704	223,629,491	372,665,738
TL	40,641	4,583,376	235,740	857,418	0.10%	(59,289)	798,129	1,331,177	2,218,330
RH	2,884,604	288,904,442	11,521,404	100,803,925	11.62%	(6,970,440)	93,833,485	62,481,061	121,068,496
R	7,885,699	1,093,016,664	44,098,864	441,168,627	50.84%	(30,506,148)	410,662,479	236,624,587	401,630,735
R	7,885,618	1,093,006,700	44,098,462	441,164,606	50.84%	(30,505,870)	410,658,736	236,622,430	401,627,072
RT	81	9,964	402	4,022	0.00%	(278)	3,744	2,157	3,661
OP	384,915	25,288,035	182,874	19,585,166	2.26%	(1,354,285)	18,230,881	391,316	6,482,964
SLP	90,951	13,304,657	157,270	10,880,721	1.25%	(752,386)	10,128,336	633,313	2,385,738
SLS	17,317	4,981,281	82,942	3,930,701	0.45%	(271,802)	3,658,899	382,010	857,431
SLE	48,154	7,578,438	77,308	5,960,250	0.69%	(412,142)	5,548,108	273,596	1,953,023
OTHER	9,237	1,793,623	10,472	1,669,910	0.19%	(115,472)	1,554,438	12,303	216,409
POL	9,205	1,789,774	10,450	1,666,327	0.19%	(115,224)	1,551,103	12,277	215,945
AL	32	3,849	22	3,583	0.00%	(248)	3,336	26	464
TOTAL	34,381,484	3,363,477,028	154,716,666	867,697,806	100.00%	\$ (60,000,000)	807,697,806	862,580,496	1,538,755,656
¢/kWh		9.78	0.45	2.52		\$ (0.17)	2.35	2.51	4.47

**2002 Unbundled Unit Rates (¢/kWh)**

			<u>Transmission</u> (2)	<u>Distribution</u> (3)	<u>Allocation of \$60,000,000</u>		<u>New</u> <u>Distribution</u> (3a)	<u>CTC</u> (4)	<u>Market Energy</u> (6)=1-2-3-4-5
					<u>Alloc</u> %	<u>\$ (60,000,000)</u> <u>Allocation</u>			
HT	14,542,215	6.88	0.35	0.76	12.83%	(0.05)	0.71	2.03	3.80
EP	654,254	7.31	0.36	1.14	0.86%	(0.08)	1.06	2.04	3.85
PD	1,107,824	9.49	0.47	1.80	2.31%	(0.12)	1.68	2.64	4.70
GS	6,756,312	11.46	0.59	2.14	16.70%	(0.15)	1.99	3.33	5.55
GS	6,715,671	11.47	0.59	2.14	16.60%	(0.15)	1.99	3.34	5.55
TL	40,641	11.28	0.58	2.10	0.10%	(0.15)	1.96	3.28	5.46
RH	2,884,604	10.02	0.40	3.49	11.62%	(0.24)	3.24	2.17	4.11
R	7,885,699	13.86	0.56	5.58	50.84%	(0.39)	5.19	3.01	5.09
R	7,885,618	13.86	0.56	5.58	50.84%	(0.39)	5.19	3.01	5.09
RT	81	12.31	0.50	4.96	0.00%	(0.34)	4.61	2.68	4.52
OP	384,915	6.57	0.05	5.08	2.26%	(0.35)	4.72	0.11	1.68
SLP	90,951	14.63	0.17	11.93	1.25%	(0.83)	11.11	0.73	2.62
SLS	17,317	28.77	0.48	22.64	0.45%	(1.57)	21.07	2.26	4.95
SLE	48,154	19.39	0.16	16.81	0.69%	(0.86)	15.95	0.57	4.06
OTHER	9,237	19.42	0.11	18.03	0.19%	(1.25)	16.78	0.18	2.34
POL	9,205	19.44	0.11	18.06	0.19%	(1.25)	16.81	0.18	2.35
AL	32	12.12	0.07	11.26	0.00%	(0.78)	10.48	0.11	1.46
TOTAL		9.78	0.45	2.52		(0.17)	2.35	2.51	4.47

**PECO Energy Company**  
**Development of Multipliers to Effect Distribution Rate Reductions**

	2002				2004			
	Existing Distribution (a)	\$ (60,000,000) Allocation	New Distribution (a)	Multiplier	Existing Distribution (a)	\$ (40,000,000) Allocation	New Distribution (a)	Multiplier
HT	\$ 103,105,706	\$ (7,696,354)	\$ 95,409,352	0.92535	\$ 104,761,996	\$ (5,130,896)	\$ 99,631,100	0.95102
EP	\$ 6,885,567	\$ (517,127)	\$ 6,368,440	0.92490	\$ 6,996,177	\$ (344,751)	\$ 6,651,426	0.95072
PD	\$ 16,524,019	\$ (1,384,342)	\$ 15,139,677	0.91622	\$ 16,789,461	\$ (922,894)	\$ 15,866,567	0.94503
GS	\$ 111,856,529	\$ (9,960,213)	\$ 101,896,316	0.91096	\$ 113,653,392	\$ (6,640,133)	\$ 107,013,259	0.94158
TL	\$ 857,418	\$ (59,289)	\$ 798,129	0.93085	\$ 871,191	\$ (39,526)	\$ 831,665	0.95463
RH	\$ 91,276,265	\$ (6,970,440)	\$ 84,305,825	0.92363	\$ 92,742,527	\$ (4,646,954)	\$ 88,095,573	0.94989
R	\$ 369,552,444	\$ (30,505,870)	\$ 339,046,574	0.91745	\$ 375,488,934	\$ (20,337,220)	\$ 355,151,714	0.94584
RT	\$ 2,528	\$ (278)	\$ 2,250	0.89001	\$ 2,569	\$ (185)	\$ 2,384	0.92783
OP	\$ 14,036,193	\$ (1,354,285)	\$ 12,681,908	0.90351	\$ 14,261,671	\$ (902,855)	\$ 13,358,815	0.93669
SLP	\$ 10,880,721	\$ (752,386)	\$ 10,128,336	0.93085	\$ 11,055,509	\$ (501,590)	\$ 10,553,919	0.95463
SLS	\$ 3,930,696	\$ (271,802)	\$ 3,658,894	0.93085	\$ 3,993,839	\$ (181,201)	\$ 3,812,638	0.95463
SLE	\$ 5,960,250	\$ (412,142)	\$ 5,548,108	0.93085	\$ 6,057,134	\$ (274,813)	\$ 5,782,321	0.95463
POL	\$ 1,669,249	\$ (115,224)	\$ 1,554,025	0.93097	\$ 1,696,064	\$ (76,816)	\$ 1,619,248	0.95471
AL	\$ 3,583	\$ (248)	\$ 3,336	0.93085	\$ 3,641	\$ (165)	\$ 3,476	0.95463
<b>TOTAL</b>		<b>\$ (60,000,000)</b>				<b>\$ (40,000,000)</b>		

(a) Excludes Customer Charges

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate R**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	<u>New Pricing for</u> Distribution	<u>New Distribution</u> Revenue @ 0.91745
(25) Fixed Distribution Charge	13,709,923	Bills	\$ 5.10	\$ 69,920,607	\$ 71,612,162		
(26)							
(27) Transmission Service Charge							
(28) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0055	\$ 29,542,074	\$ 30,256,771		
(29) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0055	\$ 5,916,395	\$ 6,059,528		
(30) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0063	\$ 7,598,340	\$ 7,782,163		
(31)				\$ 43,056,810	\$ 44,098,462		
(32) Variable Distribution Charge							
(33) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0457	\$ 247,567,493	\$ 253,556,772	\$ 0.0419	\$ 232,626,130
(34) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0457	\$ 49,580,377	\$ 50,779,851	\$ 0.0419	\$ 46,588,068
(35) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0531	\$ 63,675,354	\$ 65,215,821	\$ 0.0487	\$ 59,832,375
(36)				\$ 360,823,223	\$ 369,552,444		\$ 339,046,574
(37) Competitive Transition Charge							
(38) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0293	\$ 158,763,992	\$ 162,604,892		
(39) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0293	\$ 31,795,687	\$ 32,564,904		
(40) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0339	\$ 40,574,196	\$ 41,555,788		
(41)				\$ 231,133,875	\$ 236,725,584		
(42) Electric Generation							
(43) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0500	\$ 270,900,742	\$ 277,454,511		
(44) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0500	\$ 54,253,330	\$ 55,565,854		
(45) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0558	\$ 66,895,413	\$ 68,513,781		
(46)				\$ 392,049,484	\$ 401,534,146		
(47)							
(48) Total Revenue				\$ 1,096,984,000	\$ 1,123,522,799		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Rate RT**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.89001
(29) Fixed Distribution Charge	143 bills	\$ 10.19	\$ 1,458	\$ 1,493		
(30)						
(31) Transmission Charge						
(32) Summer Off-peak kwh	32,901 kWh	\$ 0.0030	\$ 98	\$ 100		
(33) Summer On-peak kwh	8,067 kWh	\$ 0.0121	\$ 98	\$ 100		
(34) Winter Off-peak kwh	27,659 kWh	\$ 0.0030	\$ 82	\$ 84		
(35) Winter On-peak kwh	10,372 kWh	\$ 0.0111	\$ 115	\$ 118		
(36)			\$ 393	\$ 402		
(37) Variable Distribution Charge						
(38) Summer Off-peak kwh	32,901 kWh	\$ 0.0187	\$ 615	\$ 630	\$ 0.0166	\$ 560
(39) Summer On-peak kwh	8,067 kWh	\$ 0.0761	\$ 614	\$ 628	\$ 0.0677	\$ 559
(40) Winter Off-peak kwh	27,659 kWh	\$ 0.0187	\$ 517	\$ 529	\$ 0.0166	\$ 471
(41) Winter On-peak kwh	10,372 kWh	\$ 0.0698	\$ 724	\$ 741	\$ 0.0621	\$ 660
(42)			\$ 2,469	\$ 2,528		\$ 2,250
(43) Competitive Transition Charge						
(44) Summer Off-peak kwh	32,901 kWh	\$ 0.0165	\$ 544	\$ 557		
(45) Summer On-peak kwh	8,067 kWh	\$ 0.0627	\$ 507	\$ 519		
(46) Winter Off-peak kwh	27,659 kWh	\$ 0.0165	\$ 458	\$ 469		
(47) Winter On-peak kwh	10,372 kWh	\$ 0.0577	\$ 599	\$ 613		
(48)			\$ 2,107	\$ 2,158		
(49) Electric Generation						
(50) Summer Off-peak kwh	32,901 kWh	\$ 0.0328	\$ 1,079	\$ 1,105		
(51) Summer On-peak kwh	8,067 kWh	\$ 0.0896	\$ 722	\$ 740		
(52) Winter Off-peak kwh	27,659 kWh	\$ 0.0328	\$ 907	\$ 929		
(53) Winter On-peak kwh	10,372 kWh	\$ 0.0833	\$ 864	\$ 885		
(54)			\$ 3,573	\$ 3,660		
(55)						
(56) Total Revenue			\$ 10,000	\$ 10,242		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Rate RH**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	<u>New Pricing for</u> <u>Distribution</u>	<u>New Distribution</u> <u>Revenue @</u> 0.92363
(29) Fixed Distribution Charge	1,824,041 bills	\$ 5.10	\$ 9,302,607	\$ 9,527,660		
(30)						
(31) Transmission Charge						
(32) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0055	\$ 2,513,424	\$ 2,574,230		
(33) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0064	\$ 2,259,924	\$ 2,314,597		
(34) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0055	\$ 3,239,862	\$ 3,318,242		
(35) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0023	\$ 3,236,047	\$ 3,314,335		
(36)			\$ 11,249,256	\$ 11,521,404		
(37) Variable Distribution Charge						
(38) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0435	\$ 19,912,151	\$ 20,393,876	\$ 0.0402	\$ 18,836,469
(39) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0506	\$ 17,903,842	\$ 18,336,981	\$ 0.0467	\$ 16,936,652
(40) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0435	\$ 25,667,227	\$ 26,288,182	\$ 0.0402	\$ 24,280,648
(41) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0181	\$ 25,637,002	\$ 26,257,226	\$ 0.0167	\$ 24,252,056
(42)			\$ 89,120,223	\$ 91,276,265		\$ 84,305,825
(43) Competitive Transition Charge						
(44) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0293	\$ 13,408,817	\$ 13,733,210		
(45) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0338	\$ 11,979,951	\$ 12,269,776		
(46) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0293	\$ 17,284,277	\$ 17,702,427		
(47) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0130	\$ 18,362,508	\$ 18,806,744		
(48)			\$ 61,035,553	\$ 62,512,156		
(49) Total Electric Generation						
(50) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0522	\$ 23,870,510	\$ 24,447,998		
(51) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0583	\$ 20,614,383	\$ 21,113,097		
(52) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0522	\$ 30,769,644	\$ 31,514,039		
(53) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0303	\$ 42,923,824	\$ 43,962,259		
(54)			\$ 118,178,361	\$ 121,037,392		
(55)						
(56) Total Revenue			\$ 288,886,000	\$ 295,874,878		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Rate CAP**

**Electric PA PUC No. 3**

<b>Rate R</b>		
(1)	Cap 1	
(2)	¢/kWh for first 500 kWh	6.31
(3)	¢/kWh for additional kWh	13.05
(4)	Cap 2	
(5)	¢/kWh for first 500 kWh	9.68
(6)	¢/kWh for additional kWh	13.05
(7)		
<b>Rate RH</b>		
(8)		
(9)	Cap 1	
(10)	Winter	
(11)	¢/kWh for all kWh	6.31
(12)	Summer	
(13)	¢/kWh for first 500 kWh	6.31
(14)	¢/kWh for additional kWh	13.05
(15)	Cap 2	
(16)	Winter	
(17)	¢/kWh for first 500 kWh	10.50
(18)	¢/kWh for additional kWh	6.31
(19)	Summer	
(20)	¢/kWh for first 500 kWh	9.68
(21)	¢/kWh for additional kWh	13.05

<b>Rate R</b>			<b>Trans.</b>	<b>Dist.</b>	<b>CTC</b>	<b>Energy</b>	<b>New Distr Pricing</b>
(22)	Cap 1						
(23)	¢/kWh for first 500 kWh	0.27	2.21	1.42	2.41	2.03	
(24)	¢/kWh for additional kW	0.55	4.57	2.93	5.00	4.19	
(25)	Cap 2						
(26)	¢/kWh for first 500 kWh	0.41	3.39	2.17	3.71	3.11	
(27)	¢/kWh for additional kW	0.55	4.57	2.93	5.00	4.19	
(28)							
<b>Rate RH</b>							
(29)							
(30)	Cap 1						
(31)	Winter						
(32)	¢/kWh for all kWh	0.27	2.10	1.42	2.52	1.94	
(33)	Summer						
(34)	¢/kWh for first 500 kWh	0.27	2.10	1.42	2.52	1.94	
(35)	¢/kWh for additional kW	0.55	4.35	2.93	5.22	4.02	
(36)	Cap 2						
(37)	Winter						
(38)	¢/kWh for first 500 kWh	0.41	3.22	3.00	3.87	2.97	
(39)	¢/kWh for additional kW	0.27	2.10	1.42	2.52	1.94	
(40)	Summer						
(41)	¢/kWh for first 500 kWh	0.41	3.22	2.18	3.87	2.97	
(42)	¢/kWh for additional kW	0.55	4.35	2.93	5.22	4.02	

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Rate OP**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.90351
(12) Fixed Distribution Charge	1,182,948 Bills	\$ 4.58	\$ 5,417,900	\$ 5,548,973		
(13)						
(14) Transmission Charge	375,823,000 kWh	\$ 0.0005	\$ 178,554	\$ 182,874		
(15)						
(16) Variable Distribution Charge	375,823,000 kWh	\$ 0.0365	\$ 13,704,643	\$ 14,036,193	\$ 0.0329	\$ 12,681,908
(17)						
(18) Competitive Transition Charge	375,823,000 kWh	\$ 0.0010	\$ 383,699	\$ 392,981		
(19)						
(20) Electric Generation Charges	375,823,000 kWh	\$ 0.0168	\$ 6,328,204	\$ 6,481,299		
(21)						
(22) Total Revenue			\$ 26,013,000	\$ 26,642,320		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Off-Peak Thermal Storage Provision**

	<u>On-Peak</u>	<u>New Distr Pricing</u>	<u>Off-Peak</u>	<u>New Distr Pricing</u>
Transmission	0.25 ¢/kWh		0.16 ¢/kWh	
Distribution	2.17 ¢/kWh	1.98	1.41 ¢/kWh	1.28
CTC	1.34 ¢/kWh		0.88 ¢/kWh	
Market Energy	2.61 ¢/kWh		1.70 ¢/kWh	
Bundled	6.37 ¢/kWh		4.15 ¢/kWh	

**Night Service GS Rider**

		<u>New Dist Pricing</u>
Fixed Distribution Charge	\$ 8.97	
Demand Charge	\$ 0.47 per kW	\$ 0.43

**Rate GS Minimum Charge**

		<u>New Dist Pricing</u>
Variable Distribution	\$ 0.92 per kW	\$ 0.84
Transmission	\$ 0.33 per kW	
CTC	\$ 1.85 per kW	
Energy and Capacity	\$ 3.07 per kW	
	\$ 6.17	

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate GS**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)		<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.91096
(35) Fixed Distribution Charge								
(36) Single-Phase	1,847,446	Bills	\$ 8.67		\$ 16,017,355	\$ 16,404,855		
(37) Poly-Phase	657,007	Bills	\$ 23.45		\$ 15,406,804	\$ 15,779,533		
(38)					\$ 31,424,159	\$ 32,184,388		
(39) Transmission Charge								
(40) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0127		\$ 18,951,130	\$ 19,409,606		
(41) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0060		\$ 3,924,719	\$ 4,019,668		
(42) Additional Use-Except	3,696,417,044	kWh	\$ 0.0038		\$ 13,894,392	\$ 14,230,532		
(43) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0016		\$ 250,363	\$ 256,420		
(44) Space Heating	556,994,349	kWh	\$ 0.0030		\$ 1,646,781	\$ 1,686,621		
(45)					\$ 38,667,386	\$ 39,602,848		
(46) Variable Distribution Charge								
(47) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0358		\$ 53,526,647	\$ 54,821,591	\$ 0.0326	\$ 49,940,028
(48) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0168		\$ 11,085,200	\$ 11,353,379	\$ 0.0153	\$ 10,342,423
(49) Additional Use-Except	3,696,417,044	kWh	\$ 0.0106		\$ 39,244,109	\$ 40,193,523	\$ 0.0097	\$ 36,614,509
(50) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0047		\$ 707,141	\$ 724,248	\$ 0.0042	\$ 659,758
(51) Space Heating	556,994,349	kWh	\$ 0.0084		\$ 4,651,262	\$ 4,763,788	\$ 0.0076	\$ 4,339,598
(52)					\$ 109,214,359	\$ 111,856,529		\$ 101,896,316
(53) Competitive Transition Charge								
(54) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0702		\$ 104,778,027	\$ 107,312,870		
(55) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0337		\$ 22,161,964	\$ 22,698,118		
(56) Additional Use-Except	3,696,417,044	kWh	\$ 0.0217		\$ 80,269,761	\$ 82,211,688		
(57) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0103		\$ 1,559,499	\$ 1,597,227		
(58) Space Heating	556,994,349	kWh	\$ 0.0173		\$ 9,671,330	\$ 9,905,304		
(59)					\$ 218,440,581	\$ 223,725,207		
(60) Electric Generation Charge								
(61) First 80 Hours Use	1,493,455,009	kWh	\$ 0.1027		\$ 153,395,135	\$ 157,106,149		
(62) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0559		\$ 36,817,220	\$ 37,707,921		
(63) Additional Use-Except	3,696,417,044	kWh	\$ 0.0406		\$ 150,106,925	\$ 153,738,388		
(64) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0259		\$ 3,939,068	\$ 4,034,364		
(65) Space Heating	556,994,349	kWh	\$ 0.0350		\$ 19,511,167	\$ 19,983,191		
(66)					\$ 363,769,515	\$ 372,570,013		
(67)								
(68) Total Revenue					\$ 761,516,000	\$ 779,938,985		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate PD**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u>	<u>Pricing</u>	<u>Revenue</u>	<u>Growth Ratio</u>	<u>New Pricing for</u>	<u>New Distribution</u>
	(4)	(5)=(6)/(4)	(6)	(7)=(6)x1.024	Distribution	Revenue @ 0.91622
(33) Fixed Distribution Charge	12,259 Bills	\$ 275.28	\$ 3,374,777	\$ 3,456,421		
(34)						
(35) Transmission Charge						
(36) Capacity Charge	2,814,280 kW	\$ 0.56	\$ 1,582,117	\$ 1,620,393		
(37) First 150 hrs use	435,697,564 kWh	\$ 0.0050	\$ 2,163,707	\$ 2,216,053		
(38) Next 150 hrs use	355,277,140 kWh	\$ 0.0029	\$ 1,043,154	\$ 1,068,391		
(39) Additional use	290,681,296 kWh	\$ 0.0009	\$ 272,267	\$ 278,854		
(40)			\$ 5,061,246	\$ 5,183,690		
(41) Variable Distribution Charge						
(42) Capacity Charge	2,814,280 kW	\$ 1.79	\$ 5,038,839	\$ 5,160,741	\$ 1.64	\$ 4,728,387
(43) First 150 hrs use	435,697,564 kWh	\$ 0.0158	\$ 6,891,128	\$ 7,057,842	\$ 0.0145	\$ 6,466,553
(44) Next 150 hrs use	355,277,140 kWh	\$ 0.0094	\$ 3,322,311	\$ 3,402,686	\$ 0.0086	\$ 3,117,617
(45) Additional use	290,681,296 kWh	\$ 0.0030	\$ 867,135	\$ 888,114	\$ 0.0027	\$ 813,710
(46)			\$ 16,119,413	\$ 16,509,382		\$ 15,126,266
(47) Competitive Transition Charge						
(48) Capacity Charge	2,814,280 kW	\$ 3.01	\$ 8,470,886	\$ 8,675,818		
(49) First 150 hrs use	435,697,564 kWh	\$ 0.0279	\$ 12,163,518	\$ 12,457,784		
(50) Next 150 hrs use	355,277,140 kWh	\$ 0.0170	\$ 6,057,094	\$ 6,203,630		
(51) Additional use	290,681,296 kWh	\$ 0.0064	\$ 1,843,854	\$ 1,888,461		
(52)			\$ 28,535,351	\$ 29,225,693		
(53) Night Service Rider						
(54) Fixed Distribution Charge	3,432 Bills	\$ 11.21	\$ 38,473	\$ 39,404		
(55) Demand Charge	16,617 kW	\$ 0.86	\$ 14,291	\$ 14,637	\$ 0.79	\$ 13,411
(56)			\$ 52,764	\$ 54,040		\$ 13,411
(57) Electric Generation Charge						
(58) Capacity Charge	2,814,280 kW	\$ 3.89	\$ 10,940,252	\$ 11,204,924		
(59) First 150 hrs use	435,697,564 kWh	\$ 0.0490	\$ 21,349,299	\$ 21,865,792		
(60) Next 150 hrs use	355,277,140 kWh	\$ 0.0350	\$ 12,421,761	\$ 12,722,275		
(61) Additional use	290,681,296 kWh	\$ 0.0211	\$ 6,144,137	\$ 6,292,779		
(62)			\$ 50,855,449	\$ 52,085,770		
(63)						
(64) Total Revenue			\$ 103,999,000	\$ 106,514,997		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
Proof of Revenue - 12 Months Ending 12/31/02  
Rate HT**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	<u>New Pricing for</u> <u>Distribution</u>	<u>New Distribution</u> <u>Revenue @</u> 0.92535
(33) Fixed Distribution Charge	27,747 Bills	\$ 286.86	\$ 7,959,474	\$ 8,152,034		
(34)						
(35) Transmission Charge						
(36) Capacity Charge	24,898,251 kW	\$ 0.79	\$ 19,719,147	\$ 20,196,202		
(37) First 150 hrs use	2,130,931,747 kWh	\$ 0.0042	\$ 9,006,974	\$ 9,224,875		
(38) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0025	\$ 12,723,737	\$ 13,031,556		
(39) Additional use	6,232,767,691 kWh	\$ 0.0008	\$ 4,874,003	\$ 4,991,918		
(40)			\$ 46,323,861	\$ 47,444,552		
(41) Variable Distribution Charge						
(42) Capacity Charge	24,898,251 kW	\$ 1.66	\$ 41,228,329	\$ 42,225,745	\$ 1.53	\$ 39,073,793
(43) First 150 hrs use	2,130,931,747 kWh	\$ 0.0088	\$ 18,831,570	\$ 19,287,153	\$ 0.0082	\$ 17,847,458
(44) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0052	\$ 26,602,490	\$ 27,246,071	\$ 0.0048	\$ 25,212,281
(45) Additional use	6,232,767,691 kWh	\$ 0.0016	\$ 10,190,452	\$ 10,436,984	\$ 0.0015	\$ 9,657,913
(46)			\$ 96,852,840	\$ 99,195,954		\$ 91,791,444
(47) Competitive Transition Charge						
(48) Capacity Charge	24,898,251 kW	\$ 4.60	\$ 114,639,657	\$ 117,413,078		
(49) First 150 hrs use	2,130,931,747 kWh	\$ 0.0259	\$ 54,985,399	\$ 56,315,634		
(50) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0157	\$ 80,246,327	\$ 82,187,687		
(51) Additional use	6,232,767,691 kWh	\$ 0.0058	\$ 36,005,467	\$ 36,876,530		
(52)			\$ 285,876,851	\$ 292,792,930		
(53) Night Service Rider						
(54) Customer Charge	3,840 Bills	\$ 11.21	\$ 43,046	\$ 44,087		
(55) Demand Charge	525,737 kW	\$ 0.91	\$ 478,421	\$ 489,995	\$ 0.84	\$ 453,419
(56)			\$ 521,467	\$ 534,083		\$ 453,419
(57) Electric Generation						
(58) Capacity Charge	24,898,251 kW	\$ 5.71	\$ 142,114,553	\$ 145,552,661		
(59) First 150 hrs use	2,130,931,747 kWh	\$ 0.0440	\$ 93,830,299	\$ 96,100,290		
(60) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0316	\$ 160,901,992	\$ 164,794,615		
(61) Additional use	6,232,767,691 kWh	\$ 0.0192	\$ 119,707,912	\$ 122,603,948		
(62)			\$ 516,554,756	\$ 529,051,513		
(63)						
(64) Base Revenue			\$ 954,089,249	\$ 977,171,064		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate HT**

(37) High Voltage Discount								
(38) >66 kV			\$ (180)	\$ (184)			\$ (171)	
(39) 66 kV			\$ (8,983)	\$ (9,200)			\$ (8,514)	
(40) 33 kV			\$ (611,242)	\$ (626,029)			\$ (579,299)	
(41)			\$ (620,405)	\$ (635,414)			\$ (587,983)	
(42) HT Auxiliary Service Rider								
(43) Firm kW								
(44) Transmission	314,340 kW	\$ 0.15	\$ 47,706	\$ 48,860				
(45) Distribution	314,340 kW	\$ 0.33	\$ 103,727	\$ 106,236	\$	0.31	\$	98,306
(46) Competitive Transition Charge	314,340 kW	\$ 0.88	\$ 276,619	\$ 283,311				
(47) Electric Generation	314,340 kW	\$ 1.64	\$ 515,907	\$ 528,388				
(48)		\$ 3.00	\$ 943,959	\$ 966,796				
(49)								
(50) Firm kWh								
(51) Transmission	46,820,419 kWh	\$ 0.0040	\$ 185,460	\$ 189,947				
(52) Distribution	46,820,419 kWh	\$ 0.0086	\$ 403,243	\$ 412,999	\$	0.0080	\$	382,170
(53) Competitive Transition Charge	46,820,419 kWh	\$ 0.0229	\$ 1,071,720	\$ 1,097,647				
(54) Electric Generation	46,820,419 kWh	\$ 0.0428	\$ 2,005,616	\$ 2,054,137				
(55)		\$ 0.0783	\$ 3,666,039	\$ 3,754,730				
(56)								
(57) Interruptable kWh								
(58) Transmission	35,721,342 kWh	\$ 0.0008	\$ 28,577	\$ 29,268				
(59) Distribution	35,721,342 kWh	\$ 0.0016	\$ 57,154	\$ 58,537	\$	0.0015	\$	54,167
(60) Competitive Transition Charge	35,721,342 kWh	\$ 0.0058	\$ 207,184	\$ 212,196				
(61) Electric Generation	35,721,342 kWh	\$ 0.0192	\$ 685,850	\$ 702,442				
(62)		\$ 0.0274	\$ 978,765	\$ 1,002,444				
(63)								
(64) Curtailment Rider			\$ (286,778)	\$ (293,716)				
(65)								
(66) LILR								
(67) Transmission	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,477,400				
(68) Distribution	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,477,400	\$	0.0048	\$	3,217,828
(69) Electric Generation			\$ 19,377,590	\$ 19,846,383				
(70)			\$ 26,168,110	\$ 26,801,182				
(71)								
(72) Adjusted Base Revenue			\$ 984,938,939	\$ 1,008,767,086				

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate POL**

	Quantity	Annual kWh	Monthly Bundled Charge	Annual Bundled Revenue	Monthly Unbundled Charges					Annual Unbundled Revenue					New Distr Revenue @ 0.93097		
					Trans.	Dist.	CTC	Elec. Gen.	New Distr Pricing	Trans.	Dist.	CTC	Elec. Gen.	Total			
<b>Mercury Vapor</b>																	
<b>Company Pole</b>																	
4000 Lumens	298	527	3576	\$12.72	\$45,487	\$80,441	\$0.06	\$11.18	\$0.04	\$1.44	\$ 10.16	\$ 379	\$ 70,692	\$ 257	\$ 9,113	\$ 80,441	\$ 65,813
8000 Lumens	153	270	1836	\$17.27	\$31,708	\$55,955	\$0.09	\$15.15	\$0.07	\$1.96	\$ 13.77	\$ 292	\$ 49,094	\$ 230	\$ 6,399	\$ 55,955	\$ 45,705
12000 Lumens	214	378	2568	\$21.30	\$54,698	\$98,617	\$0.11	\$18.67	\$0.10	\$2.41	\$ 18.97	\$ 499	\$ 84,700	\$ 473	\$ 10,946	\$ 98,617	\$ 78,853
20000 Lumens	557	894	6894	\$27.49	\$183,879	\$324,484	\$0.14	\$24.10	\$0.13	\$3.11	\$ 21.90	\$ 1,653	\$ 284,521	\$ 1,550	\$ 36,760	\$ 324,484	\$ 284,681
22000 Lumens	23	41	276	\$29.72	\$8,203	\$14,622	\$0.16	\$26.06	\$0.14	\$3.37	\$ 23.68	\$ 79	\$ 12,819	\$ 68	\$ 1,657	\$ 14,622	\$ 11,934
<b>Customer Pole</b>																	
4000 Lumens	196	346	2352	\$11.45	\$26,930	\$47,540	\$0.06	\$10.01	\$0.08	\$1.30	\$ 9.10	\$ 249	\$ 41,562	\$ 344	\$ 5,366	\$ 47,540	\$ 38,693
8000 Lumens	80	141	960	\$16.05	\$15,408	\$27,157	\$0.09	\$14.03	\$0.11	\$1.82	\$ 12.75	\$ 152	\$ 23,739	\$ 189	\$ 3,077	\$ 27,157	\$ 22,100
12000 Lumens	128	228	1536	\$20.21	\$31,043	\$54,810	\$0.11	\$17.67	\$0.14	\$2.29	\$ 16.06	\$ 298	\$ 47,921	\$ 381	\$ 6,209	\$ 54,810	\$ 44,613
20000 Lumens	548	988	6576	\$26.05	\$171,305	\$302,597	\$0.14	\$22.78	\$0.18	\$2.95	\$ 20.71	\$ 1,826	\$ 264,612	\$ 2,078	\$ 34,281	\$ 302,597	\$ 246,347
22000 Lumens	6	11	72	\$28.29	\$2,037	\$3,734	\$0.16	\$24.74	\$0.19	\$3.20	\$ 22.49	\$ 21	\$ 3,266	\$ 24	\$ 423	\$ 3,734	\$ 3,040
<b>Sodium Vapor</b>																	
<b>Company Pole</b>																	
5800 Lumens	29	51	348	\$17.39	\$6,052	\$10,643	\$0.09	\$15.26	\$0.07	\$1.97	\$ 13.87	\$ 55	\$ 9,340	\$ 42	\$ 1,206	\$ 10,643	\$ 8,895
25000 Lumens	74	131	888	\$27.70	\$24,598	\$43,544	\$0.14	\$24.29	\$0.14	\$3.14	\$ 22.08	\$ 220	\$ 38,177	\$ 214	\$ 4,933	\$ 43,544	\$ 35,542
50000 Lumens	274	484	3288	\$30.41	\$99,988	\$176,621	\$0.16	\$26.66	\$0.15	\$3.45	\$ 24.23	\$ 929	\$ 154,816	\$ 867	\$ 20,009	\$ 176,621	\$ 144,129
50000 Lumens	265	468	3180	\$32.64	\$103,795	\$183,308	\$0.17	\$28.61	\$0.17	\$3.70	\$ 26.00	\$ 955	\$ 160,649	\$ 936	\$ 20,766	\$ 183,306	\$ 149,580
<b>Customer Pole</b>																	
5800 Lumens	13	23	156	\$16.15	\$2,519	\$4,457	\$0.09	\$14.12	\$0.11	\$1.83	\$ 12.83	\$ 25	\$ 3,897	\$ 30	\$ 505	\$ 4,457	\$ 3,628
25000 Lumens	23	41	276	\$26.27	\$7,251	\$12,925	\$0.14	\$22.97	\$0.18	\$2.98	\$ 20.88	\$ 89	\$ 11,301	\$ 90	\$ 1,464	\$ 12,925	\$ 10,521
50000 Lumens	92	163	1104	\$28.98	\$31,994	\$56,885	\$0.16	\$25.34	\$0.20	\$3.28	\$ 23.03	\$ 313	\$ 49,585	\$ 385	\$ 6,422	\$ 56,885	\$ 46,144
50000 Lumens	115	203	1380	\$31.21	\$43,070	\$78,028	\$0.17	\$27.29	\$0.21	\$3.54	\$ 24.81	\$ 414	\$ 66,478	\$ 522	\$ 8,613	\$ 78,028	\$ 61,890
<b>Standard Metal Halide</b>																	
<b>Company Pole</b>																	
36000 Lumens	108	191	1296	\$32.14	\$41,653	\$73,665	\$0.17	\$28.17	\$0.16	\$3.64	\$ 25.60	\$ 390	\$ 64,563	\$ 367	\$ 8,345	\$ 73,665	\$ 60,106
110000 Lumens	23	41	276	\$56.30	\$15,539	\$27,700	\$0.30	\$49.29	\$0.33	\$6.38	\$ 44.80	\$ 146	\$ 24,250	\$ 164	\$ 3,138	\$ 27,700	\$ 22,576
<b>Customer Pole</b>																	
36000 Lumens	65	115	780	\$30.75	\$23,985	\$42,435	\$0.17	\$28.89	\$0.21	\$3.48	\$ 24.44	\$ 235	\$ 37,108	\$ 285	\$ 4,807	\$ 42,435	\$ 34,547
110000 Lumens	10	18	120	\$54.91	\$6,589	\$11,861	\$0.30	\$48.01	\$0.38	\$6.22	\$ 43.64	\$ 65	\$ 10,370	\$ 82	\$ 1,344	\$ 11,861	\$ 9,654
<b>Standard High Pressure Sodium Vapor</b>																	
<b>Company Pole</b>																	
5800 Lumens	10	18	120	\$19.55	\$2,346	\$4,223	\$0.10	\$17.16	\$0.08	\$2.21	\$ 15.60	\$ 22	\$ 3,708	\$ 17	\$ 478	\$ 4,223	\$ 3,450
9500 Lumens	6	11	72	\$20.67	\$1,488	\$2,728	\$0.11	\$18.14	\$0.08	\$2.34	\$ 16.49	\$ 15	\$ 2,394	\$ 10	\$ 309	\$ 2,728	\$ 2,229
16000 Lumens	5	9	60	\$22.59	\$1,355	\$2,440	\$0.12	\$19.82	\$0.09	\$2.56	\$ 18.01	\$ 13	\$ 2,140	\$ 10	\$ 276	\$ 2,440	\$ 1,993
25000 Lumens	41	72	492	\$28.54	\$13,058	\$22,931	\$0.14	\$23.27	\$0.13	\$3.01	\$ 21.15	\$ 121	\$ 20,104	\$ 108	\$ 2,598	\$ 22,931	\$ 18,718
50000 Lumens	115	203	1380	\$32.20	\$44,436	\$78,439	\$0.17	\$28.22	\$0.16	\$3.65	\$ 25.65	\$ 414	\$ 68,739	\$ 400	\$ 8,886	\$ 78,439	\$ 63,994
<b>Customer Pole</b>																	
5800 Lumens	1	2	12	\$18.16	\$219	\$436	\$0.10	\$15.88	\$0.12	\$2.06	\$ 14.43	\$ 2	\$ 361	\$ 3	\$ 49	\$ 436	\$ 355
9500 Lumens	4	7	48	\$19.28	\$925	\$1,620	\$0.11	\$16.86	\$0.13	\$2.18	\$ 15.33	\$ 9	\$ 1,416	\$ 11	\$ 183	\$ 1,620	\$ 1,318
16000 Lumens	1	2	12	\$21.20	\$254	\$509	\$0.12	\$18.54	\$0.14	\$2.40	\$ 16.85	\$ 3	\$ 445	\$ 3	\$ 58	\$ 509	\$ 414
25000 Lumens	13	23	156	\$25.14	\$3,922	\$6,939	\$0.14	\$21.98	\$0.17	\$2.85	\$ 19.98	\$ 39	\$ 6,066	\$ 47	\$ 786	\$ 6,939	\$ 5,648
50000 Lumens	19	34	228	\$30.80	\$7,022	\$12,566	\$0.17	\$26.93	\$0.21	\$3.49	\$ 24.48	\$ 69	\$ 10,987	\$ 86	\$ 1,424	\$ 12,566	\$ 10,229
	8,202				\$1,052,553	\$1,860,656						\$ 9,772	\$ 1,628,820	\$ 10,274	\$ 210,790	\$1,860,656	\$ 1,517,318
					1.7671327							\$ 10,008	\$ 1,669,249	\$ 10,522	\$ 215,889	\$1,905,670	\$ 1,554,025

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Rate SL-P**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085
(27) Facilities Charge						
(28) City Control	93,161	\$ 8.64	\$ 9,658,903	\$ 9,892,576	\$ 8.04	\$ 9,208,519
(29) Company Control - Aerial	-	\$ 9.24	\$ -	\$ -		
(30) Company Control - Underground	-	\$ 12.89	\$ -	\$ -		
(31)			\$ 9,658,903	\$ 9,892,576		
(32) Transmission Charge						
(33) Capacity Charge	179,516,200 W	\$ 0.0002	\$ 43,146	\$ 44,190		
(34) Energy Charge	88,803,000 kWh	\$ 0.0012	\$ 110,409	\$ 113,080		
(35)			\$ 153,555	\$ 157,270		
(36) Variable Distribution Chg.						
(37) Capacity Charge	179,516,200 W	\$ 0.0015	\$ 271,090	\$ 277,649	\$ 0.0014	\$ 258,450
(38) Energy Charge	88,803,000 kWh	\$ 0.0078	\$ 693,714	\$ 710,496	\$ 0.0073	\$ 661,367
(39)			\$ 964,804	\$ 988,145		\$ 919,816
(40) CTC Charge						
(41) Capacity Charge	179,516,200 W	\$ 0.0008	\$ 134,703	\$ 137,962		
(42) Energy Charge	88,803,000 kWh	\$ 0.0055	\$ 482,018	\$ 493,679		
(43)			\$ 616,721	\$ 631,641		
(44)						
(45) Outtage Allowance	-		\$ (8,616)	\$ (8,824)		
(46)						
(47) Electric Generation Charge						
(48) Capacity Charge	179,516,200 W	\$ 0.0012	\$ 215,271	\$ 220,479		
(49) Energy Charge	88,803,000 kWh	\$ 0.0239	\$ 2,123,894	\$ 2,175,277		
(50)			\$ 2,339,165	\$ 2,395,755		
(51)						
(52) Total Revenue			\$ 13,724,532	\$ 14,056,563		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate SL-S**

	Billed Demand	Quantity	Annual Bundled Charge	Annual Bundled Revenue	Annual Unbundled Charges					Annual Unbundled Revenue					New Distr Revenue @ 0.93085
					Trans.	Dist.	CTC	Elec. Gen.	New Distr Pricing	Trans.	Dist.	CTC	Elec. Gen.	Total	
<b>Incandescent</b>															
320 Lumens	32 Watts	164	\$99.26	\$ 16,279	\$1.57	\$74.27	\$7.22	\$16.20	\$67.50	\$ 257	\$ 12,180	\$ 1,184	\$ 2,656	\$ 16,279	\$ 11,338
600 Lumens	58 Watts	21	\$138.30	\$ 2,904	\$2.18	\$103.49	\$10.06	\$22.57	\$94.06	\$ 46	\$ 2,173	\$ 211	\$ 474	\$ 2,904	\$ 2,023
1000 Lumens	103 Watts	1,532	\$194.00	\$ 297,208	\$3.06	\$145.16	\$14.12	\$31.66	\$131.93	\$ 4,688	\$ 222,385	\$ 21,636	\$ 48,499	\$ 297,208	\$ 207,008
2500 Lumens	202 Watts	342	\$266.96	\$ 91,300	\$4.22	\$199.76	\$19.42	\$43.56	\$181.55	\$ 1,443	\$ 68,318	\$ 6,641	\$ 14,899	\$ 91,300	\$ 63,594
6000 Lumens	448 Watts	39	\$304.58	\$ 11,879	\$4.81	\$227.91	\$22.16	\$49.70	\$207.14	\$ 188	\$ 8,888	\$ 864	\$ 1,938	\$ 11,879	\$ 8,274
10000 Lumens	690 Watts	-	\$364.64	\$ -	\$5.76	\$272.85	\$26.53	\$59.50	\$253.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Mercury Vapor</b>															
4000 Lumens	115 Watts	8,493	\$228.29	\$1,938,867	\$3.60	\$170.82	\$16.62	\$37.25	\$155.25	\$30,575	\$1,450,774	\$141,129	\$316,389	\$1,938,867	\$1,350,455
8000 Lumens	191 Watts	4,692	\$241.10	\$1,131,241	\$3.81	\$180.41	\$17.54	\$39.34	\$163.97	\$17,877	\$ 846,484	\$ 82,282	\$184,599	\$1,131,241	\$ 787,951
12000 Lumens	275 Watts	1,330	\$257.08	\$ 341,916	\$4.06	\$192.36	\$18.71	\$41.95	\$174.83	\$ 5,400	\$ 255,839	\$ 24,883	\$ 55,795	\$ 341,916	\$ 238,148
20000 Lumens	429 Watts	2,086	\$301.99	\$ 629,951	\$4.77	\$225.97	\$21.97	\$49.28	\$205.38	\$ 9,950	\$ 471,373	\$ 45,831	\$102,797	\$ 629,951	\$ 438,779
42000 Lumens	768 Watts	130	\$430.18	\$ 55,923	\$6.79	\$321.89	\$31.30	\$70.20	\$292.55	\$ 883	\$ 41,846	\$ 4,069	\$ 9,126	\$ 55,923	\$ 38,952
59000 Lumens	1090 Watts	135	\$484.90	\$ 65,462	\$7.66	\$362.83	\$35.28	\$79.13	\$329.76	\$ 1,034	\$ 48,982	\$ 4,763	\$ 10,682	\$ 65,462	\$ 45,595
<b>Sodium Vapor</b>															
5800 Lumens	94 Watts	444	\$226.58	\$ 100,602	\$3.58	\$169.54	\$16.49	\$36.97	\$154.09	\$ 1,590	\$ 75,276	\$ 7,320	\$ 16,416	\$ 100,602	\$ 70,071
9500 Lumens	131 Watts	563	\$246.35	\$ 138,695	\$3.89	\$184.34	\$17.92	\$40.20	\$167.54	\$ 2,190	\$ 103,783	\$ 10,089	\$ 22,633	\$ 138,695	\$ 96,607
16000 Lumens	192 Watts	153	\$276.69	\$ 42,334	\$4.37	\$207.04	\$20.13	\$45.15	\$188.17	\$ 669	\$ 31,677	\$ 3,080	\$ 6,908	\$ 42,334	\$ 29,487
25000 Lumens	294 Watts	647	\$314.35	\$ 203,384	\$4.96	\$235.22	\$22.87	\$51.30	\$213.78	\$ 3,209	\$ 152,187	\$ 14,799	\$ 33,189	\$ 203,384	\$ 141,664
50000 Lumens	450 Watts	163	\$374.54	\$ 61,050	\$5.91	\$280.26	\$27.25	\$61.12	\$254.72	\$ 963	\$ 45,682	\$ 4,442	\$ 9,962	\$ 61,050	\$ 42,524
<b>Total</b>				<b>\$5,128,995</b>						<b>\$80,961</b>	<b>\$3,837,849</b>	<b>\$373,223</b>	<b>\$836,962</b>	<b>\$5,128,995</b>	<b>\$3,572,467</b>
										<b>\$82,919</b>	<b>\$3,930,696</b>	<b>\$382,253</b>	<b>\$857,210</b>	<b>\$5,253,078</b>	<b>\$3,658,894</b>

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate SLE**

**Electric PA PUC No. 3 - Supplement 10**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7) = (6) * 1.02	New Pricing for Distribution	New Distribution Revenue @ 0.93085
(23) Service Location Charge - Trans.	831,508 Locations	\$ -	\$ -	\$ -		
(24) Service Location Charge - Dist	831,508 Locations	\$ 7.00	\$ 5,820,557	\$ 5,960,250	\$ 6.51	\$ 5,548,108
(25) Service Location Charge - CTC	831,508 Locations	\$ -	\$ -	\$ -		
(26) Transmission Charge			\$ 5,820,557	\$ 5,960,250		
(27) Capacity Charge	136,607,992 Watt	\$ 0.00055	\$ 75,496	\$ 77,308		
(28) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -		
(29) Variable Distribution Charge			\$ 75,496	\$ 77,308		
(30) Capacity Charge	136,607,992 Watt	\$ -	\$ -	\$ -		
(31) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -		
(32) Competitive Transition Charge			\$ -	\$ -		
(33) Capacity Charge	136,607,992 Watt	\$ 0.00062	\$ 84,163	\$ 86,183		
(34) Energy Charge	47,017,000 kWh	\$ 0.00389	\$ 183,021	\$ 187,414		
(35) Electric Generation Charge			\$ 267,184	\$ 273,596		
(36) Capacity Charge	136,607,992 Watt	\$ 0.00289	\$ 395,447	\$ 404,938		
(37) Energy Charge	47,017,000 kWh	\$ 0.03215	\$ 1,511,802	\$ 1,548,085		
(38) Total Revenue			\$ 1,907,249	\$ 1,953,023		
(39) Total Revenue			\$ 8,070,485	\$ 7,990,580		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Rate TL**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085
(12) Transmission Charge (13)	39,681,000 kWh	\$ 0.0058	\$ 230,171	\$ 235,740		
(14) Variable Distribution Charge (15)	39,681,000 kWh	\$ 0.0211	\$ 837,165	\$ 857,418	\$ 0.0196	\$ 798,129
(16) Competitive Transition Charge (17)	39,681,000 kWh	\$ 0.0328	\$ 1,300,286	\$ 1,331,744		
(18) Unaccounted for (19)			\$ 5,398	\$ 5,529		
(20) Market Generation (21)	39,681,000 kWh	\$ 0.0544	\$ 2,159,979	\$ 2,212,235		
(22) Total Revenue			\$ 4,533,000	\$ 4,642,665		

**PECO ENERGY COMPANY**  
**Compliance to 2/5/98 Order at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/02**  
**Rate EP**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.92490
(21) Fixed Distribution Charge	465 Deliv. points	\$ 1,243.85	\$ 578,926	\$ 592,932		
(22)						
(23) Transmission Charge						
(24) Capacity Charge	1,770,350 kW	\$ 1.03	\$ 1,821,164	\$ 1,865,223		
(25) Energy Charge	638,800,000 kWh	\$ 0.0008	\$ 496,005	\$ 508,005		
(26)			\$ 2,317,169	\$ 2,373,227		
(27) Variable Distribution Charge						
(28) Capacity Charge	1,770,350 kW	\$ 2.98	\$ 5,283,838	\$ 5,411,667	\$ 2.76	\$ 5,005,235
(29) Energy Charge	638,800,000 kWh	\$ 0.0023	\$ 1,439,085	\$ 1,473,900	\$ 0.0021	\$ 1,363,205
(30)			\$ 6,722,923	\$ 6,885,567		\$ 6,368,440
(31) Competitive Transition Charge						
(32) Capacity Charge	1,770,350 kW	\$ 5.45	\$ 9,640,407	\$ 9,873,632		
(33) Energy Charge	638,800,000 kWh	\$ 0.0053	\$ 3,402,935	\$ 3,485,261		
(34)			\$ 13,043,342	\$ 13,358,893		
(35) Electric Generation Charge						
(36) Capacity Charge	1,770,350 kW	\$ 7.00	\$ 12,394,545	\$ 12,694,400		
(37) Energy Charge	638,800,000 kWh	\$ 0.0190	\$ 12,165,095	\$ 12,459,399		
(38)			\$ 24,559,640	\$ 25,153,799		
(39)						
(40) Total Revenue			\$ 47,222,000	\$ 48,364,419		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Rate AL**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	<u>New Pricing for</u> Distribution	<u>New Distribution</u> Revenue @ 0.93085
(10) Transmission Charge	31,472 kWh	\$ 0.0007	\$ 22	\$ 22		
(11)						
(12) Variable Distribution Charge	31,472 kWh	\$ 0.1112	\$ 3,499	\$ 3,583	\$ 0.1035	\$ 3,336
(13)						
(14) CTC Charge	31,472 kWh	\$ 0.0008	\$ 26	\$ 27		
(15)						
(16) Market Generation	31,472 kWh	\$ 0.0144	\$ 453	\$ 464		
(17)						
(18) Total Revenues			\$ 4,000	\$ 4,097		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Auxiliary Service Rider**

	Bundled	Trans.	Dist.	CTC	Energy	New Distr Pricing	
<b>FIRM BACK-UP POWER</b>							
Demand Charge (\$/kW)							
All Customers	\$3.00	\$ 0.15	\$ 0.33	\$ 0.88	\$ 1.64	0.31	(a)
Energy Charge (\$/kWh)							
High Tension Voltage	\$ 0.0783	\$ 0.0040	\$ 0.0086	\$ 0.0229	\$ 0.0428	0.0080	(a)
Primary Voltage	\$ 0.0988	\$ 0.0048	\$ 0.0186	\$ 0.0271	\$ 0.0483	0.0172	(a)
Secondary Voltage	\$ 0.1245	\$ 0.0063	\$ 0.0230	\$ 0.0357	\$ 0.0595	0.0210	(b)
<b>INTERRUPTIBLE BACK-UP POWER</b>							
Energy Charge (\$/kWh)							
High Tension Voltage	\$ 0.0274	\$ 0.0008	\$ 0.0016	\$ 0.0058	\$ 0.0192	0.0015	(a)
Primary Voltage	\$ 0.0314	\$ 0.0009	\$ 0.0030	\$ 0.0064	\$ 0.0211	0.0028	(a)
Secondary Voltage	\$ 0.0637	\$ 0.0030	\$ 0.0084	\$ 0.0173	\$ 0.0350	0.0077	(b)

(a) refer to Rate HT multiplier  
 (b) refer to Rate GS multiplier

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Employment and Economic Recovery Rider**

	<b>Bundled</b> (¢/kWh)	<b>Tran</b> (¢/kWh)	<b>Dist</b> (¢/kWh)	<b>CTC</b> (¢/kWh)	<b>Energy</b> (¢/kWh)	<b>New Distr</b> <b>Pricing @</b> 0.92535
<b>Existing Location</b>						
Years						
1-5	0.050	0.003	0.006	0.014	0.027	0.006
6	0.040	0.002	0.004	0.012	0.022	0.004
7	0.030	0.002	0.003	0.009	0.016	0.003
8	0.020	0.001	0.002	0.006	0.011	0.002
9	0.010	0.001	0.001	0.003	0.005	0.001
<b>New Service Location</b>						
Years						
1-5	1.000	0.051	0.110	0.292	0.547	0.102
6	0.800	0.041	0.088	0.233	0.438	0.081
7	0.600	0.030	0.066	0.176	0.328	0.061
8	0.400	0.020	0.044	0.117	0.219	0.041
9	0.200	0.010	0.022	0.059	0.109	0.020
<b>Accelerated</b>						
Years						
1-4	1.35	0.069	0.149	0.393	0.739	0.138

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Seasonal Capacity Charge Service Rider**

	<u>Summer</u>	New Dist Pricing	<u>Winter</u>	New Dist Pricing
Transmission	\$1.49		\$0.37	
Distribution	\$3.14	\$2.91	\$0.79	\$ 0.73
CTC	\$8.67		\$2.17	
Market Energy	<u>\$10.77</u>		<u>\$2.69</u>	
Bundled	\$24.07		\$6.02	

**Cooling Thermal Storage HT Rider**

		New Dist Pricing
Billing and Metering Charge	\$ 11.21	
Off Peak Charge per kW of off peak billing demand per month	\$ 0.91	\$ 0.84

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/02  
 Suburban Street Lighting Rider**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085
(23) Service Location Charge - Trans.	831,508	Locations	\$ 0.09	\$ 75,496	\$ 77,322		
(24) Service Location Charge - Dist	831,508	Locations	\$ 9.53	\$ 7,922,340	\$ 8,114,001	\$ 8.87	\$ 7,552,930
(25) Service Location Charge - CTC	831,508	Locations	\$ 0.32	\$ 267,184	\$ 273,647		
(26)				\$ 8,265,019	\$ 8,464,971		
(27) Transmission Charge							
(28) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -		
(29) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -		
(30)				\$ -	\$ -		
(31) Variable Distribution Charge							
(32) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -		
(33) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -		
(34)				\$ -	\$ -		
(35) Competitive Transition Charge							
(36) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -		
(37) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -		
(38)				\$ -	\$ -		
(39) Electric Generation Charge							
(40) Capacity Charge	136,607,992	Watt	\$ 0.00289	\$ 395,447	\$ 405,014		
(41) Energy Charge	47,017,000	kWh	\$ 0.01826	\$ 858,533	\$ 879,303		
(42)				\$ 1,253,981	\$ 1,284,318		
(43)							
(44) Total Revenue				\$ 9,519,000	\$ 9,749,289		

**AVAILABILITY.**

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

**CURRENT CHARACTERISTICS.** Standard single-phase secondary service.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE. \$5.10

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

SUMMER MONTHS. (June through September)  
 4.19¢ per kWh for the first 500 kWh per dwelling unit  
 4.87¢ per kWh for additional kWh.  
 WINTER MONTHS. (October through May)  
 4.19¢ per kWh

**COMPETITIVE TRANSITION CHARGE:**

SUMMER MONTHS. (June through September)  
 2.93¢ per kWh for the first 500 kWh per dwelling unit  
 3.39¢ per kWh for additional kWh.  
 WINTER MONTHS. (October through May)  
 2.93¢ per kWh

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

SUMMER MONTHS. (June through September)  
 5.00¢ per kWh for the first 500 kWh per dwelling unit  
 5.58¢ per kWh for additional kWh.  
 WINTER MONTHS. (October through May)  
 5.00¢ per kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**MINIMUM CHARGE:** The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

**PAYMENT TERMS.** Standard.

**AVAILABILITY.**

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family for the domestic requirements of its members when such service is provided through one meter. Service is also available for related farm purposes when such service is provided through one meter in conjunction with the farmhouse domestic requirements.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

**CURRENT CHARACTERISTICS.** Standard single-phase secondary service.

**DEFINITION OF PEAK-HOURS.** On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as on-peak hours.

**MONTHLY RATE TABLE.**

**FIXED DISTRIBUTION SERVICE CHARGE:** \$10.19

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

**SUMMER MONTHS (June through September)**  
 1.66¢ per off-peak kWh  
 6.77¢ per on-peak kWh  
**WINTER MONTHS (October through May)**  
 1.66¢ per off-peak kWh  
 6.21¢ per on-peak kWh

**COMPETITIVE TRANSITION CHARGE:**

**SUMMER MONTHS. (June through September)**  
 1.65¢ per off-peak kWh  
 6.27¢ per on-peak kWh.  
**WINTER MONTHS. (October through May)**  
 1.65¢ per off-peak kWh  
 5.77¢ per on-peak kWh.

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

**SUMMER MONTHS. (June through September)**  
 3.28¢ per off-peak kWh  
 8.96¢ per on-peak kWh  
**WINTER MONTHS. (October through May)**  
 3.28¢ per off-peak kWh  
 8.33¢ per on-peak kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**MINIMUM CHARGE.** The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND  
CHARGE APPLY TO THIS RATE.

**CONTRACT TERM.** Not less than twelve months.

**PAYMENT TERMS.** Standard.

## RATE R-H RESIDENTIAL HEATING SERVICE

### AVAILABILITY.

Single-phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where all of the supplementary heating required is supplied by non-electric energy sources and/or by electric energy sources served on Rate O-P Off-Peak Service. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

**CURRENT CHARACTERISTICS.** Standard single-phase secondary service.

### MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$5.10

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

### VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

4.02¢ per kWh for the first 500 kWh per dwelling unit

4.67¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

4.02¢ for the first 600 kWh per dwelling unit

1.67¢ per kWh for additional kWh.

### COMPETITIVE TRANSITION CHARGE:

SUMMER MONTHS. (June through September)

2.93¢ per kWh for the first 500 kWh per dwelling unit

3.38¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

2.93¢ per kWh for the first 600 kWh per dwelling unit

1.30¢ per kWh for additional kWh.

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

SUMMER MONTHS. (June through September)

5.22¢ per kWh for the first 500 kWh per dwelling unit

5.83¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

5.22¢ per kWh for the first 600 kWh per dwelling unit

3.03¢ per kWh for additional kWh.

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**MINIMUM CHARGE.** The minimum charge per month will be the Fixed Distribution Service Charge.

**STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.**

**COMBINED RESIDENTIAL AND COMMERCIAL SERVICE.** Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

**PAYMENT TERMS.** Standard.

**CAP RATE**

**AVAILABILITY.**

To payment-troubled customers who are currently served under or otherwise qualify for Rate R or Rate RH (does not include multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for this rate and must demonstrate annual household gross income below 150% of the Federal Poverty guidelines.

Customers with annual household gross incomes below 100% of the Federal poverty income guidelines will be eligible for Customer Assistance Program (CAP) Rate I which provides a 51.9% discount on the pricing of the first 500 kWh of usage.

Customers with annual household gross incomes between 100% and 150% of the Federal poverty income guidelines will be eligible for Customer Assistance Program (CAP) Rate II which provides a 26% discount on the pricing of the first 500 kWh of usage.

Certification by various State agencies that a customer is receiving certain government assistance payments may be used where possible to expedite the eligibility process. These payments include (but are not limited to) AFDC, SSI, Food Stamps, PACE and Medicaid. Information available from the Pa. Department of Revenue may also be used where appropriate to expedite the process.

A process will be established to provide verification of eligibility for customers who do not fit the above processes. Asset testing will also be used where necessary and appropriate.

Customers being considered for the CAP Rates will be required to:

- \* Waive certain privacy rights to enable PECO Energy to effectively conduct the above certification process.
- \* Apply for and assign to PECO Energy at least one energy assistance grant from the Commonwealth.
- \* Participate in various energy education and conservation programs facilitated by PECO Energy.

**MONTHLY RATE TABLE.**

	RATE R		RATE RH			
	CAP I	CAP II	CAP I		CAP II	
			Summer	Winter	Summer	Winter
<b>Fixed Distribution Service Charge</b>	\$5.10	\$5.10	\$5.10	\$5.10	\$5.10	\$5.10
<b>Variable Distribution Service Charge</b>						
for the first 500 kWh	2.03 ¢/kWh	3.11 ¢/kWh	1.94 ¢/kWh	1.94 ¢/kWh	2.97 ¢/kWh	2.97 ¢/kWh
for additional kWh	4.19 ¢/kWh	4.19 ¢/kWh	4.02 ¢/kWh	1.94 ¢/kWh	4.02 ¢/kWh	1.94 ¢/kWh
<b>Competitive Transition Charge</b>						
for the first 500 kWh	1.42 ¢/kWh	2.17 ¢/kWh	1.42 ¢/kWh	1.42 ¢/kWh	2.18 ¢/kWh	3.00 ¢/kWh
for additional kWh	2.93 ¢/kWh	2.93 ¢/kWh	2.93 ¢/kWh	1.42 ¢/kWh	2.93 ¢/kWh	1.42 ¢/kWh
<b>Energy and Capacity Charge</b>						
for the first 500 kWh	2.41 ¢/kWh	3.71 ¢/kWh	2.52 ¢/kWh	2.52 ¢/kWh	3.87 ¢/kWh	3.87 ¢/kWh
for additional kWh	5.00 ¢/kWh	5.00 ¢/kWh	5.22 ¢/kWh	2.52 ¢/kWh	5.22 ¢/kWh	2.52 ¢/kWh

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for Rate R or RH as applicable in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for Rate R or RH as applicable in Appendix B to the Joint Petition for Full Settlement.

**ENERGY AND CAPACITY CHARGE:** The preceding Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001. Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

If the customer obtains Competitive Energy Supply, the customer will receive a credit, on the first 500 kWh of usage on their PECO Energy bill, as follows:

**Customer Credit when obtaining Competitive Energy Supply:**

	RATE R		RATE RH			
	CAP I	CAP II	CAP I		CAP II	
			Summer	Winter	Summer	Winter
	2.65¢/kWh	1.32 ¢/kWh	2.76 ¢/kWh	2.76 ¢/kWh	1.38 ¢/kWh	1.38 ¢/kWh

**MINIMUM CHARGE:** The minimum charge per month will be the Fixed Distribution Service Charge.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE. Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

**ARREARAGE.**

*Customers who qualify and are placed on the CAP Rate will have their pre-program arrearage forgiven if they remain current on their CAP bill for six to twelve months. The development of any new arrearage during this period will delay forgiveness. Customers that develop any new arrearage will be offered a payment agreement.*

## RATE OP OFF-PEAK SERVICE

### **AVAILABILITY.**

In conjunction with Rates R, RT, R-H and with residence service under Rate GS, for any customer receiving service at 120/240 volts, 3 wires, or 120/208 volts, 3 wires, for the operation of 240-volt or 208-volt domestic equipment of a type approved by the Company. Any load connected for service under Rate OP may not be connected for service under any other rate during the period that service under Rate OP is interrupted. Service will be interrupted during on-peak periods as established by the Company. This rate is not available when the source of supply is service purchased from a neighboring company under a borderline-purchase agreement.

### **SPECIAL RULES AND REGULATIONS.**

The normal control device furnished by the Company has a limited capacity. The customer shall notify the Company before connecting any load in addition to an existing water heater. If necessary, the Company will install a control device with a rating of 100 amperes to accommodate the additional 240-volt controlled load. For controlled loads larger than 100 amperes the control device shall be furnished, installed and maintained by the customer.

Service may be interrupted for a total of not more than 6-1/2 hours per day during scheduled periods which may vary from customer to customer.

The Company has a program to replace seven-day clock control devices as they fail with five-day radio-control devices which provide uninterrupted service on Saturdays, Sundays and holidays.

### **MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE: \$4.58 per month

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE: 3.29¢ per kWh

COMPETITIVE TRANSITION CHARGE: 0.0010¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

1.68¢ per kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

### **PAYMENT TERMS.**

Standard.

**AVAILABILITY.**

Service through a single metering installation for offices, professional, commercial or industrial establishments, governmental agencies, and other applications outside the scope of the Residence Service rate schedules.

**CURRENT CHARACTERISTICS.**

Standard single-phase or polyphase secondary service.

**MONTHLY RATE TABLE.**

**FIXED DISTRIBUTION SERVICE CHARGE:**

\$ 6.63 for single-phase service without demand measurement, or  
\$ 8.67 for single-phase service with demand measurement, or  
\$23.45 for polyphase service.

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

3.26¢ per kWh for the first 80 hours' use of billing demand  
\* 1.53¢ per kWh for the next 80 hours' use of the billing demand  
0.97¢ per kWh for additional use; except  
0.42¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh

**COMPETITIVE TRANSITION CHARGE:**

7.02¢ per kWh for the first 80 hours' use of billing demand  
\* 3.37¢ per kWh for the next 80 hours' use of billing demand  
2.17¢ per kWh for additional use; except  
1.03¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh.

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

10.27¢ per kWh for the first 80 hours' use of billing demand  
\* 5.59¢ per kWh for the next 80 hours' use of billing demand  
4.06¢ per kWh for additional use; except  
2.59¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh.  
\* During October through May this block is eliminated.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.**

**DETERMINATION OF DEMAND.**

The billing demand will be measured where consumption exceeds 1,100 kilowatt-hours per month for three consecutive months; or where load tests indicate a demand of five or more kilowatts; or where the customer requests demand measurement. Measured demands will be determined to the nearest 0.1 of a kilowatt but will not be less than 1.2 kilowatts, and will be adjusted for power factor in accordance with the Rules and Regulations.

For those customers with demand measurement, during October through May the billing demand will not be less than 40% of the highest billing demand in the preceding months of June through September, nor less than the minimum value stated in the contract for service. If a measured demand customer has less than 1,100 monthly kilowatt-hours of use, the monthly billing demand will be the measured demand or the metered monthly kilowatt-hours divided by 175 hours, whichever is less, but not less than 40% of the highest billing demand in the preceding months of June through September, nor less than 1.2 kilowatts.

For those customers without demand measurement, the monthly billing demand will be computed by dividing the metered monthly kilowatt-hours by 175 hours. The computed demand will be determined to the nearest 0.1 of a kilowatt, but will not be less than 1.2 kilowatts.

**MINIMUM CHARGE.**

The monthly minimum charge for customers without demand measurement will be the Fixed Distribution Service Charge. The monthly minimum charge for customers with demand measurement will be the Fixed Distribution Service Charge, plus a charge of \$6.09 per kW of billing demand, as follows: Variable Distribution - \$0.84 per kW; Competitive Transition Charge - \$1.85 per kW; Energy and Capacity - \$3.07 per kW (Energy and Capacity Charge applicable only if Customer receives Default PLR Service).

**HEATING MODIFICATION.**

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

#### METERING.

##### A. Single Meter.

Applicable where an area is heated solely by permanently connected electric space heating installations (1) acceptable to the Company, (2) sensitive to outdoor temperature and (3) not less than 5 kilowatts. Qualifying electric heating systems are (1) electric resistance coils, (2) electric resistance baseboards, (3) electric boilers and (4) heat pumps with electric back-up.

During October through May the monthly maximum measured demand shall be reduced by one-half of the difference between the peak winter measured demand and the base load demand over the two most recent winter seasons preceding the start of the current winter season (October 1st). The demand reduction will be subject to annual review and any revisions will be based on the two most recent winter seasons. The base load demand will be defined as the lowest measured demand during the period from October to May. For time-of-use metered customers, the demand reduction will be based upon the difference between the peak winter and base load demands regardless of whether they occur on or off peak. During this period, the billing demand shall never be less than 15 kilowatts; except for those customers in service as of February 18, 1971, the billing demand during October through May shall not be less than one-half of the monthly measured demand.

A customer whose demand reduction was calculated under the methods in effect on October 17, 1996, will continue to receive the same reduction until the date of full Direct Access unless the current method (described in the preceding paragraph) yields a smaller billed demand for the customer.

A customer who adds new electrical connected heating load will receive the same proportion of forgiven demand to total demand that they currently receive.

This demand modification will only be applicable within 30 days of the date that the customer requests billing under this provision. It shall be the responsibility of the customer to notify the Company of any subsequent changes to its heating equipment or requirements.

##### B. Separate Meters.

At the option of the customer, electricity supplying permanently connected space heating installations or heating equipment sensitive to outdoor temperature with a total capacity of not less than 5 kilowatts, which are acceptable to the Company, will be measured apart from the customer's other requirements for electric service at the premises. Air conditioning equipment of rated electrical capacity up to twice that of the heating equipment also may be supplied through this separate heating circuit.

During October through May the usage of this separate circuit shall be billed at the charges listed below in lieu of the pricing of the basic Monthly Rate Table.

VARIABLE DISTRIBUTION SERVICE CHARGE: 0.76¢ per kWh

COMPETITIVE TRANSITION CHARGE: 1.73¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply:  
3.50¢ per kWh

During June through September the combined usage shall be billed under the price provisions of the basic Monthly Rate Table.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

#### OFF-PEAK THERMAL STORAGE PROVISION.

Off-peak energy may be provided exclusively for qualifying Thermal Storage applications only in conjunction with this rate schedule when the load supplied is separately metered. This service will be billed separately at the rate of \$11.21 per month, plus the charges listed below.

##### OFF-PEAK USAGE DURING THE WINTER AND SUMMER MONTHS:

VARIABLE DISTRIBUTION SERVICE CHARGE: 1.28¢ per kWh

COMPETITIVE TRANSITION CHARGE: 0.88¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply:  
1.70¢ per kWh

##### ON-PEAK USAGE DURING THE WINTER MONTHS:

VARIABLE DISTRIBUTION SERVICE CHARGE: 1.98¢ per kWh

COMPETITIVE TRANSITION CHARGE: 1.34¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.  
2.61¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

During the summer months, any on-peak demand and energy will contribute to the pricing of the basic Monthly Rate Table. To qualify for this provision, the customer must submit an engineering study performed by a professional engineer registered in the Commonwealth of Pennsylvania to the Company for technical review and approval. On-peak hours are defined as the hours between 8:00 a.m. and 8:00 p.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 p.m. on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. For Cooling Thermal Storage applications, during the months of June through September, on-peak hours will commence at 10:00 a.m. instead of 8:00 a.m.

#### **SPECIAL PROVISION.**

In accordance with Section 1511, Title 66 Public Utilities, a volunteer fire company or a non-profit senior citizen center may, upon application, elect to have its electric service billed at the pricing of Rate R Residential Service, Rate RT Residential Time of Use, Rate R-H Residential Heating Service, or Rate OP Off-Peak Service as appropriate for the application. The execution of a contract for a minimum term of one year will be required.

For the purposes of this provision, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:

**VOLUNTEER FIRE COMPANY** - a separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service at this location shall be to support the activities of the volunteer fire company. Any fund raising activities at this service location must be used solely to support volunteer fire fighting operations.

The customer of record at this service location must be a predominantly volunteer fire company recognized by the local municipality or PEMA as a provider of fire fighting services.

**NON-PROFIT SENIOR CITIZEN CENTER** - a separately metered service location consisting of a facility for the use of senior citizens coming together as individuals or groups and where access to a wide range of services to senior citizens is provided.

The customer of record at this service location must be an organization recognized by the Internal Revenue Service (IRS) as non-profit and recognized by the Pennsylvania Department of Aging as an operator of a senior citizen center.

#### **PAYMENT TERMS.**

Standard.

#### **TERM OF CONTRACT.**

The initial contract term shall be for at least one year.

#### **PAYMENT TERMS.**

Standard.

**RATE-PD PRIMARY-DISTRIBUTION POWER**

**AVAILABILITY.**

Untransformed service from the primary supply lines of the Company's distribution system where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required. However, standard primary service is not available in areas where the distribution voltage has been changed to either 13 kV or 33 kV unless the customer was served with standard primary service before the conversion of the area to either 13 kV or 33 kV. This rate is available only for service locations served on this rate on July 6, 1987 as long as the original primary service has not been removed. PECO Energy may refuse to increase the load supplied to a customer served under this rate when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist. If a customer changes the billing rate of a location being served on this rate, PECO Energy may refuse to change that location back to Rate PD when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist.

**CURRENT CHARACTERISTICS.**

Standard primary service.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE: \$275.28

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

\$1.64¢ per kW of billing demand  
1.45¢ per kWh of the first 150 hours' use of billing demand  
0.86¢ per kWh of the first next 150 hours' use of billing demand  
0.27¢ per kWh for additional use.

**COMPETITIVE TRANSITION CHARGE:**

\$3.01 per kW of billing demand  
2.79¢ per kWh of the first 150 hours' use of billing demand  
1.70¢ per kWh for the next 150 hours' use of billing demand  
0.64¢ per kWh for additional use.

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

\$3.89 per kW of billing demand  
4.90¢ per kWh of the first 150 hours' use of billing demand  
3.50¢ per kWh for the next 150 hours' use of billing demand  
2.11¢ per kWh for additional use.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

**DETERMINATION OF BILLING DEMAND.**

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

**MINIMUM CHARGE.**

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, the CTC, and the Energy and Capacity Charge.

**TERM OF CONTRACT.**

The initial contract term shall be for at least three years.

**PAYMENT TERMS.**

Standard.

**RATE-HT HIGH-TENSION POWER**

**AVAILABILITY.**

Untransformed service from the Company's standard high-tension lines, where the customer installs, owns, and maintains, any transforming, switching and other receiving equipment required.

**CURRENT CHARACTERISTICS.**

Standard high-tension service.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE: \$286.86

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

\$1.53 per kW of billing demand  
0.82¢ per kWh of the first 150 hours' use of billing demand  
0.48¢ per kWh of the first 150 hours' use of billing demand,  
but not more than 7,500,000 kwh  
0.15¢ per kWh for additional use.

**COMPETITIVE TRANSITION CHARGE:**

\$4.60 per kW of billing demand  
2.59¢ per kWh for the first 150 hours' use of billing demand  
1.57¢ per kWh for the next 150 hours' use of billing demand,  
but not more than 7,500,000 kwh  
0.58¢ per kWh for additional use.

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

\$5.71 per kW of billing demand  
4.40¢ per kWh for the first 150 hours' use of billing demand  
3.16¢ per kWh for the next 150 hours' use of billing demand,  
but not more than 7,500,000 kwh  
1.92¢ per kWh for additional use.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**TIME-OF-USE ADJUSTMENT:**

Customers with measured demand of 2,000 kW or greater will be given a credit for energy use during off-peak hours and will be subject to an additional charge for energy use during on-peak hours. On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	Summer Months (June through September)	Winter Months (October through May)
Off-peak credit.....	0.21¢ per kWh	0.21¢ per kWh
On-peak charge.....	0.57¢ per kWh	0.22¢ per kWh

**HIGH VOLTAGE DISCOUNT:**

For customers supplied at 33,000 volts: 7¢ per kW of measured demand.  
For customers supplied at 69,000 volts: 28¢ per kW for first 10,000 kW of measured demand.  
For customers supplied over 69,000 volts: 28¢ per kW for first 100,000 kW of measured demand.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

**DETERMINATION OF BILLING DEMAND.**

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

**DELIVERY POINTS.**

Where the load of a customer located on single or contiguous premises becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer, an additional separate delivery point may be established for such premises upon the written request of the customer with billing continued as if the service were being delivered and metered at a single point, provided such multi-point delivery is not disadvantageous to the Company.

**MINIMUM CHARGE.**

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, the CTC, and the Energy and Capacity Charge, less the high voltage discount where applicable.

**TERM OF CONTRACT.**

The initial contract term shall be for at least three years.

**PAYMENT TERMS.**

Standard.

**RATE POL PRIVATE OUTDOOR LIGHTING**

**AVAILABILITY.**

Outdoor lighting of sidewalks, driveways, yards, lots and similar places, outside the scope of service under Rate SL-P, SL-S and SL-E.

**MONTHLY RATE TABLE.**

**PRICE PER LIGHTING UNIT**

<u>MERCURY-VAPOR LAMPS</u>	<u>CTC</u>		<u>Energy &amp; Capacity</u>		<u>Distribution</u>	
	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>
100 Watts(nominally 4,000 Lumens)	\$0.04	\$0.08	\$1.44	\$1.30	\$10.16	\$ 9.10
175 Watts(nominally 8,000 Lumens)	\$0.07	\$0.11	\$1.96	\$1.82	\$13.77	\$12.75
250 Watts(nominally 12,000 Lumens)	\$0.10	\$0.14	\$2.41	\$2.29	\$16.97	\$16.06
400 Watts(nominally 20,000 Lumens)	\$0.13	\$0.18	\$3.11	\$2.95	\$21.90	\$20.71
400 Watts Floodlight (nominally 22,000 Lumens)	\$0.14	\$0.19	\$3.37	\$3.20	\$23.68	\$22.49

<u>SODIUM-VAPOR LAMPS</u>	<u>CTC</u>		<u>Energy &amp; Capacity</u>		<u>Distribution</u>	
	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>
70 Watts (nominally 5,800 Lumens)	\$0.07	\$0.11	\$1.97	\$1.83	\$13.87	\$12.83
250 Watts (nominally 25,000 Lumens)	\$0.14	\$0.18	\$3.14	\$2.98	\$22.08	\$20.88
400 Watts (nominally 50,000 Lumens)	\$0.15	\$0.20	\$3.45	\$3.28	\$24.23	\$23.03
400 Watts Floodlight (nominally 50,000 Lumens)	\$0.17	\$0.21	\$3.70	\$3.54	\$26.00	\$24.81

<u>STANDARD METAL HALIDE LAMPS</u>	<u>CTC</u>		<u>Energy &amp; Capacity</u>		<u>Distribution</u>	
	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>
400 Watts (nominally 36,000 Lumens)	\$0.16	\$0.21	\$3.64	\$3.48	\$25.60	\$24.44
1000 Watts (nominally 110,000 Lumens)	\$0.33	\$0.38	\$6.38	\$6.22	\$44.80	\$43.64

<u>STANDARD HIGH PRESSURE SODIUM LAMPS</u>	<u>CTC</u>		<u>Energy &amp; Capacity</u>		<u>Distribution</u>	
	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>	<u>Co.Pole</u>	<u>Cust.Pole</u>
70 Watts (nominally 5,800 Lumens)	\$0.08	\$0.12	\$2.21	\$2.06	\$15.60	\$14.43
100 Watts (nominally 9,500 Lumens)	\$0.08	\$0.13	\$2.34	\$2.18	\$16.49	\$15.33
150 Watts (nominally 16,000 Lumens)	\$0.09	\$0.14	\$2.56	\$2.40	\$18.01	\$16.85
250 Watts (nominally 25,000 Lumens)	\$0.13	\$0.17	\$3.01	\$2.85	\$21.15	\$19.98
400 Watts (nominally 50,000 Lumens)	\$0.16	\$0.21	\$3.65	\$3.49	\$26.65	\$24.48
1,000 Lumens (nominally 130,000 Lumens)						

The Energy and Capacity Charges set forth above will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.**

**GENERAL PROVISIONS.**

1. Standard Lighting Unit. A Standard Lighting Unit shall be a Cobra Head or Floodlight comprised of a bracket, the lead wires and a luminaire, including lamp, reactor and control.

2. Standard Installations. In connection with the standard service provided herein, the Company will install, own and maintain all facilities within highway limits, and all standard service-supply lines and all Lighting Units.

The customer will install, own and maintain all poles on the customer's property and all service extensions on the customer's property from the Company's standard service-supply lines.

Investment by the Company under standard conditions of supply will be limited to that warranted by three times the prospective revenue recovered through the Company's tariffed Variable Distribution Service Charge. Any additional investment will be assumed by the customer.

Standard supply to lighting installations will be from aerial wires, except that, at the option of the Company, in areas where its other distribution facilities are underground, supply may be underground.

For underground supply furnished at the request of the customer where aerial supply would be normal, the Company will assume the cost up to the amount it would normally have invested and the additional cost shall be assumed by the customer.

3. Non-Standard installations. The Company may offer non-standard lighting units and installations in addition to those listed above in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract based on the incremental cost over that listed in the Monthly Rate Table.

4. Location and Authorization. Lighting Units shall be installed at locations and upon structures approved by the Company and in positions permitting servicing from a ladder truck. Customer construction shall meet the Company's standards which are based upon the National Electrical Code.

The customer shall obtain and submit any permits or other authority requisite to the installation and operation of the Lighting Units served hereunder.

5. Service. Each lamp shall be individually controlled by a photoelectric cell which shall operate to energize the lamp during periods of darkness and to de-energize it during other periods. The service shall include the supply of lamps and their renewal when burned out. Renewal of lamps will be made only during regular daytime working hours after notification by the customer of the necessity therefor.

6. Outage Allowances. Written notice to the Company prior to 4:00 pm of the failure of any light to burn on the previous night shall entitle the customer to a pro rata reduction in the charges under this rate for the hours of failure if such failure continues for a period in excess of 24 hours after the notice is received. Allowances will not be made for outages resulting from riot, fire, storm, flood, interference by civil or military authorities, or any other cause beyond the Company's control.

7. Equipment Removal. If the customer requests that the Company remove or replace any existing street lighting installation, except incandescent lights, the Company will charge for removal or replacement of the street lighting installations and the associated poles and conductors used exclusively for the street lighting installation. The Company's charge will include the cost of removal or replacement plus the estimated remaining book value of the removed or replaced equipment less salvage.

8. Location, Authorization and Protection. The location of lamps to be supplied is to be approved by the properly designated authorized representative of the customer and the customer shall furnish any requisite authority for the erection and maintenance of poles, wires, luminaries and other equipment necessary to operate the lamps at the approved locations. The customer shall protect the Company from damage to the lighting system to the extent of their ability. At the expense of the customer, the Company will relocate a lamp to a new location after receiving a written request from the customer.

#### **TERM OF CONTRACT.**

The initial contract term for each Lighting Unit shall be for at least three years.

#### **PAYMENT TERMS.**

Standard

**RATE SL-P STREET LIGHTING IN CITY OF PHILADELPHIA**

**AVAILABILITY.**

For the safety and convenience of the public, only to a governmental agency, municipal, state or federal, for outdoor lighting of streets, highways, bridges, parks or similar places located within the City of Philadelphia, including directional highway signs at locations where other outdoor lighting service is provided hereunder, and by incandescent filament, mercury-vapor, fluorescent or sodium-vapor lamps of standard sizes and types approved by the Company, only if the customer installs, owns and maintains all Utilization Facilities as hereinafter defined. Service will be provided under this rate for street Lighting Units supported in a conventional manner such as on poles, posts, brackets or hangers, and under conditions of installation and supply acceptable to the Company.

**CHARACTERISTICS OF SUPPLY.**

Service under this rate will be from series 6.6 ampere circuits or from standard single-phase secondary circuits, as specified by the Company, except that, where conditions require, or where existing standard secondary circuits are not available, the Company at its option may supply service from nonstandard secondary circuits, providing nominally 240 volts.

**MONTHLY RATE TABLE.**

**FIXED DISTRIBUTION SERVICE CHARGE:**

For Lighting Units in service as of the fifteenth day of the month.

- \$ 8.04 per Lighting Unit supplied from standard secondary (aerial or underground) circuits where the customer owns the individual control for such Lighting Unit.
- \$ 9.24 per Lighting Unit supplied from aerial (series or secondary) circuits where the Company provides group controls.
- \$12.89 per Lighting Unit supplied from underground (series or secondary) circuits where the Company provides group controls.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

- 0.14¢ per watt.
- 0.73¢ per kWh of energy billed.

**COMPETITIVE TRANSITION CHARGE:**

- 0.08¢ per watt.
- 0.55¢ per kWh of energy billed.

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply:

- 0.12¢ per watt.
- 2.39¢ per kWh.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**MINIMUM CHARGE:** The minimum charge per month will be the Fixed Distribution Service Charge.

**STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.**

**LIGHTING UNIT.**

A Lighting Unit shall comprise each lighting installation which is separately connected to a delivery point on the Company's series or secondary circuit.

**DETERMINATION OF BILLING DEMAND.**

The wattage, expressed to the nearest tenth of a watt, of a Lighting Unit shall be composed of manufacturer's rating of its lamps, ballasts, transformers, individual controls and other load components required for its operation. The aggregate of wattages of all Lighting Units in service as of the fifteenth day of a month shall constitute the billing demand for the month.

**DETERMINATION OF ENERGY BILLED.**

The energy use for a month of a Lighting Unit shall be computed to the nearest kilowatt-hour as the product of one-thousandth of its wattage and the effective hours of use of such wattage during the calendar month under the established operation schedules approved by the authorized representatives of the customer and the Company. The aggregate of the kilowatt-hours thus computed for all Lighting Units in service as of the fifteenth day of a month shall constitute the energy billed for the month.

## TERMS AND CONDITIONS.

1. Ownership and Type of Control Facilities.
  - a. Lighting Units Supplied from Standard Secondary Circuits: customer shall provide, own and maintain for each of such Lighting Units, the individual control of a type approved by the Company except that, at the option of the customer, the Company will continue to provide group control facilities presently in service.
  - b. Lighting Units Supplied from Series and from Nonstandard Secondary Circuits: Company will provide, own and maintain group control facilities.
2. Ownership of Utilization Facilities.
  - a. Lighting Units Supplied from Aerial Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the brackets, hangers, luminaries, lamps, ballasts, transformers, individual controls (where used) and other components required for the operation of such Lighting Units, conductors, molding and supporting insulators between the meter receptacles and line wires of the Company's distribution facilities.

Company shall provide the supporting pole or post for such aerially supplied Lighting Unit and will issue authorization to permit the customer to install thereon the said Utilization Facilities.

- b. Lighting Units Supplied from Underground Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the supporting pole or post, foundation with 90-degree pipe bend, brackets or hangers, luminaries, lamps, ballasts, transformers, individual controls (where used) and other components required for the operation of such Lighting Units, conductors and conduits from the lamp receptacles to sidewalk level, or in special cases, such as Federally and State financed limited access highways, to a delivery point designated by the Company on its secondary voltage circuit, and shall assume all costs of installing such Utilization Facilities.

Where vertical extensions are required on foreign-owned posts for the support of such underground supplied Lighting Units, the extension shall be provided and owned by the customer. Rentals incurred on such foreign-owned posts shall be the responsibility of the customer.

Except as provided in 5 hereof, the Company shall own conduit from the distribution circuit to the 90-degree pipe bend, shall own conductors from its distribution system to the designated delivery point or the sidewalk level as specified in 2b, and shall provide sufficient length of conductors for splicing at the designated delivery point or in the post base where sidewalk level access is provided. Where a splicing chamber is provided in the post base, the customer shall provide space for any relays or similar devices required for the operation on the street lighting circuit.

3. Standards of Construction for Utilization Facilities. Customer construction shall meet the Company's standards which are based upon the National Electrical Safety Code. Designs of proposed construction deviating from such standards shall be submitted to the Company for approval before proceeding with any work.

4. Power Factor. The Utilization Facilities provided by the customer shall be of such a nature as to maintain the power factor of each Lighting Unit at not less than 85%.

5. Supply Facilities. Lighting service shall be provided from distribution facilities and equipment, including group control facilities where required, installed at the cost and expense of the Company and owned and controlled by it, except that in locations (such as bridges, overpasses, underpasses and limited access highways) where Company ownership of conduit, manholes or vaults may not be practical for reasons beyond its control, the customer shall make available at no expense to the Company, space for the Company's distribution facilities required in rendering service under this rate.

6. Connection of Lighting Units. For new Lighting Units, relocated Lighting Units and for any modernization or maintenance work involving connections to the Company's distribution circuits. In accordance with the provisions of 2, the customer shall provide sufficient length of conductors to permit the Company to make taps at the top of the pole for aerial circuits, or for splices to underground circuits at the designated delivery point on the Company's secondary voltage circuit, or at the splicing chamber in the post base (where provided), or at the nearest available manhole, handhole or splice box (where such splicing chamber is not provided). In the latter case, the customer will bill the Company for the cost of the conductors from the sidewalk level to the manhole, handhole or splice box. All work done by the customer that may involve Company street lighting, control, and other distribution circuits shall be performed under Company permit and blocking procedures.

7. Location and Type of Installation. The prices of the rate apply to street lighting service under conditions named herein at locations designated by the properly authorized representatives of the customer.

8. Service. Lighting service will be operated on all-night, every-night lighting schedules, to be approved by the authorized representatives of the customer and the Company, under which lights normally are turned on after sunset and off before sunrise. Extended lighting service during all daylight hours will be provided for lamps specified by the customer.

9. **Change in Size of Type of Lighting Units.** Written notice of any planned change in size or type of any components of Lighting Units by locations shall be furnished by the customer to the Company or less than 10 days prior to the effective date of such change. The customer shall be responsible for notification to the Company of any changes made in manufacturer's wattage ratings of Lighting Units used.

10. **Service Maintenance.** Upon receipt of report of Lighting Unit or Units not burning, the Company will determine the cause of failure and will restore service on street lighting or distribution circuit and control equipment, disconnecting if necessary any faulty Lighting Units from the circuit. Customer will make necessary repairs between the lamp receptacle of the faulty Lighting Unit or Units and the point of connection to the Company's street lighting or distribution circuit. In the event the fault is located in the Company owned facilities, the customer will bill the Company for this portion of the replace facilities.

11. **Authorization and Protection.** The customer shall, to the extent of ability, furnish any requisite authority for the erection and maintenance of poles wires, fixtures and other equipment necessary to operate the lights at the locations and under the conditions designated, and shall protect the Company from malicious damage to the light system.

12. **Additional Lighting.** Lighting service for additional lamps installed by the customer will be provided by the Company upon written notice from the customer specifying the locations of the installations unless the proposed additional lighting makes the investment or cost of providing distribution equipment excessive. In which case a portion of the investment or cost shall be borne by the customer subject to agreement between the customer and the Company.

13. **Relocation of Lighting Units.** Where a pole is replaced by the Company at its own option, it shall be the customer's responsibility to have the Utilization Facilities transferred from the old to the new pole.

14. **Outage Allowance.** The Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service and the customer will use reasonable diligence to protect the lighting system. In lieu of determination of the actual hours of Lighting Unit outages resulting from a failure of any light to burn for any reason, a deduction of 0.20% of the sum of the Company's monthly Fixed and Variable Distribution Service Charges, CTCs and Energy and Capacity Charges (unless the Customer is receiving Default PLR Service) will be made on the monthly bill. The Company shall not be liable for service interruptions as a result of the customer's failure to protect the lighting system, or as a result of riot, fire, storm, flood, interference by civil or military authorities or any other cause beyond its control.

**TERM OF CONTRACT.**

The initial contract term for each lighting unit shall be for at least one year.

**PAYMENT TERMS.**

Bills will be rendered monthly.

**RATE SL-S STREET LIGHTING-SUBURBAN COUNTIES**

**AVAILABILITY.**

Outdoor lighting of streets, highways, bridges, parks and similar places located in Suburban Counties.

**ANNUAL RATE TABLE - MANUFACTURER'S RATING OF LAMP SIZES.**

Incandescent Filament Lamps:

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>	<u>CTC</u>	<u>Energy &amp; Capacity</u>
320 Lumens	32	\$67.50	\$7.22	\$ 16.20
600 Lumens	58	\$94.06	\$10.06	\$22.57
1,000 Lumens	103	\$131.93	\$14.12	\$31.66
2,500 Lumens	202	\$181.55	\$19.42	\$43.56
6,000 Lumens	448	\$207.14	\$22.16	\$49.70
10,000 Lumens	690	\$253.98	\$26.53	\$59.50

Mercury Vapor Lamps

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>	<u>CTC</u>	<u>Energy &amp; Capacity</u>
4,000 Lumens	115	\$155.25	\$16.62	\$37.25
8,000 Lumens	191	\$163.97	\$17.54	\$39.34
12,000 Lumens	275	\$174.83	\$18.71	\$41.95
20,000 Lumens	429	\$205.38	\$21.97	\$49.28
42,000 Lumens	768	\$292.55	\$31.30	\$70.20
59,000 Lumens	1,090	\$329.76	\$35.28	\$79.13

Sodium-Vapor Lamps

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>	<u>CTC</u>	<u>Energy &amp; Capacity</u>
5,800 Lumens	94	\$154.09	\$16.49	\$36.97
9,500 Lumens	131	\$167.54	\$17.92	\$40.20
16,000 Lumens	192	\$188.17	\$20.13	\$45.15
25,000 Lumens	294	\$213.78	\$22.87	\$51.30
50,000 Lumens	450	\$254.72	\$27.25	\$61.12

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

The Energy and Capacity Charges set forth above will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**GENERAL PROVISIONS.**

1. Service. The lighting service will be operated on an all-night, every-night lighting schedule of approximately 4,100 hours annual burning time (average monthly burning hours = 341.11 hours), under which lights are turned on after sunset and off before sunrise. It includes the supply of lamps and their removal when burned out or broken.

2. Outage Allowances. Written notice to the Company prior to 4:00 pm of the failure of any light to burn on the previous night shall entitle the customer to a pro rata reduction to the Company's monthly Fixed and Variable Distribution Service Charges, CTCs and Energy and Capacity Charges (unless the Customer is receiving Default PLR Service) will be made on the monthly bill for the hours of failure if such failure continues for a period in excess of 12 hours after the notice is received. Allowances will not be made for outages resulting from the customer's failure to protect the lighting system or from riot, fire, storm, flood, interference by civil or military authorities, or any other cause beyond the Company's control.

3. Lighting Installations. The prices in the Rate Table apply to all Company-approved installations for (a) federal, state, county and municipal authorities and community associations entering into a contract for lighting service; and (b) building operation developers for lighting, during the development period, of streets that are to be dedicated, where the municipality has approved the lighting and agreed to subsequently assume the charges for it under a standard contract.

Standard lighting installations under standard conditions of supply will be made on the public highways at the expense of the Company to the extent warranted by the revenue in prospect, any additional investment to be assumed by the customer.

Standard supply to lighting installations will be from aerial wires, except that, at the option of the Company, in areas where its other electric distribution facilities are underground, supply may be underground.

For underground supply furnished at the request of the Company where aerial supply would be normal, or for other than standard installations made at the request of the customer and of a type approved by the Company, the Company will assume the cost up to the amount it would normally have invested and the additional cost shall be assumed by the customer.

The installation cost of lighting on private property, or for contracts of less than standard term, shall be paid by the customer.

Title to all lighting installations of a type approved by the Company shall be vested in the Company and all necessary maintenance, repair and replacement of equipment in such installations will be made by the Company. Maintenance, repair and replacement of nonstandard equipment shall be at the expense of the customer.

4. Excess Costs. In cases where the remote location of the proposed new or additional lighting, or the number or spacing of the lamps, or the lack of necessary supply lines or any other reason makes the cost of installation excessive, such excess costs shall be assumed by the customer as mutually agreed.

5. Location, Authorization and Protection. The location of lamps to be supplied is to be approved by the properly designated authorized representative of the customer and the customer shall furnish any requisite authority for the erection and maintenance of poles, wires, luminaries and other equipment necessary to operate the lamps at the approved locations. The customer shall protect the Company from damage to the lighting system to the extent of one's ability. At the expense of the customer, the Company will relocate a lamp to a new location after receiving a written request from the customer.

6. Equipment Removal. If the customer requests that the Company remove or replace any existing street lighting installation, except incandescent lights, the Company will charge for removal or replacement of the street lighting installations and the associated poles and conducts used exclusively for the street lighting installation. The Company's charge will include the cost of removal or replacement plus the estimated remaining life value of the removed or replaced equipment less salvage.

**PAYMENT TERMS.**

Bills will be rendered monthly. Each month, for the purpose of prorating the price, shall be considered 1/12 of a year.

**TERM OF CONTRACT.**

The initial contract term for each lighting installation shall be for at least three years.

## RATE SL-E STREET LIGHTING CUSTOMER-OWNED FACILITIES

### **AVAILABILITY.**

To any governmental agency for outdoor lighting provided for the safety and convenience of the public of streets, highways, bridges, parks or similar places located outside of the City of Philadelphia, including directional highway signs at locations where other outdoor lighting service is established hereunder only if all of the utilization facilities, as defined in Terms and Conditions in this Base Rate, are installed, owned and maintained by a governmental agency.

This rate is also available to community associations of residential property owners both inside and outside the City of Philadelphia for the lighting of streets that are not dedicated. This rate is not available to commercial or industrial customers. All facilities and their installations shall be approved by the Company.

A qualified agency or association may receive service under this tariff effective with their first scheduled billing cycle beginning after September 6, 1999.

### **MONTHLY RATE TABLE.**

SERVICE LOCATION DISTRIBUTION CHARGE: \$6.51 per Service Location (as defined below)

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

0.289¢ per Watt

3.215¢ per kWh

### **COMPETITIVE TRANSITION CHARGE:**

0.62¢ per Watt

0.389¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

### **SERVICE LOCATION.**

A Service Location shall comprise each lighting installation and must be separately connected to a delivery point on the Company's secondary circuit.

### **DETERMINATION OF BILLING DEMAND.**

The wattage, expressed to the nearest tenth of a watt, of a Service Location shall be composed of manufacturer's rating of its lamps, ballasts, transformers, individual controls and other load components required for its operation. The aggregate of wattages of all Service Locations in service shall constitute the billing demand for the month.

### **DETERMINATION OF ENERGY BILLED.**

The energy use for a month of a Service Location shall be computed to the nearest kilowatt-hour as the product of one-thousandth of its wattage and the effective hours of use of such wattage during the calendar month under the established operation schedules as set forth under Terms and Conditions, Paragraph 6 Service. The aggregate of the kilowatt-hours thus computed for all Active Service Locations shall constitute the energy billed for the month.

### **TERMS AND CONDITIONS.**

#### **1. Ownership of Utilization Facilities.**

a. Service Locations Supplied from Aerial Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the brackets, hangers, luminaries, lamps, ballasts, transformers, individual controls, conductors, molding and supporting insulators between the lamp receptacles and line wires of the Company's distribution facilities and any other components as required for the operation of each Service Location.

The Company shall provide the supporting pole or post for such aerially supplied Service Location and will issue authorization to permit the customer to install thereon the said Utilization Facilities.

b. Service Locations Supplied from Underground Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the supporting pole or post, foundation with 90-degree pipe bend, brackets or hangers, luminaries, lamps, ballasts, transformers, individual controls, conductors and conduits from the lamp receptacles to sidewalk level, or in special cases, such as Federally and State financed limited access highways, to a delivery point designated by the Company on its secondary voltage circuit, and shall assume all costs of installing such utilization facilities.

Except as provided in Paragraph 4 Supply Facilities, the Company shall own conduit from the distribution circuit to the 90-degree pipe bend, shall own conductors from its distribution system to the designated delivery point and shall provide sufficient length of conductors for splicing at the designated delivery point or in the post base where sidewalk level access is provided.

2. Standards of Construction for Utilization Facilities. Customer construction shall meet the Company's standards which are based upon the National Electrical Safety Code. Designs of proposed construction deviating from such standards shall be submitted to the Company for approval before proceeding with any work.

3. Power Factor. The Utilization Facilities provided by the customer shall be of such a nature as to maintain the power factor of each Lighting Unit at not less than 85%.

4. Supply Facilities. Lighting service shall be supplied from distribution facilities and equipment installed, owned and maintained by the Company. A customer contribution for new, additional or relocated lighting service may be required as described in Paragraph 10.

Where Company ownership of conduit, manholes or vaults may not be practical for reasons beyond its control (such as bridges, overpasses, underpasses and limited access highways), the customer shall make available at no expense to the Company, space for the Company's distribution facilities required in rendering service under this rate.

5. Connection of Service Location. For new, additional or relocated Service Locations and for any modernization or maintenance work involving connections to the Company's distribution circuits, the customer will provide sufficient length of conductors to permit the Company to make taps at the top of the pole for aerial circuits, or for splices to underground circuits at the designated delivery point on the Company's secondary voltage circuit. All work done by the customer that may involve Company street lighting, control, and other distribution circuits shall be performed under Company permit and blocking procedures.

6. Service. Lighting service will be operated on all-night, every-night lighting schedules, under which lights normally are turned on after sunset and off before sunrise with approximately 4,100 annual operating hours. Extended lighting service during all daylight hours will be supplied for lamps specified by the customer.

7. Change in Size and Type of Service Locations. Written notice of any planned change in size or type of any components of Service Locations shall be furnished by the customer to the Company not less than 10 days prior to the effective date of such change. The customer shall be responsible for notification to the Company of any changes made in manufacturer's wattage ratings at any Service Location.

8. Service Maintenance. Upon receipt of report of a Service Location not receiving power, the Company will determine the cause of power failure and will restore service to the distribution circuit and control equipment, disconnecting, if necessary, any faulty Service Location from the circuit. Customer will make necessary repairs between the lamp receptacle of the faulty utilization facilities and the point of connection to the Company's distribution circuit. In the event the fault is located in the Company owned facilities, the customer will bill the Company for this portion of the replaced facilities.

9. Authorization and Protection. The customer shall, to the extent of one's ability, furnish any requisite authority for the erection and maintenance of poles, wires, fixtures and other equipment necessary to operate the lights at the locations and under the conditions designated, and shall protect the Company from malicious damage to the lighting system.

10. New, Additional or Relocated Lighting. The total costs to provide lighting service for new, additional or relocated lamps installed by the customer shall be subject to a revenue test. If the costs exceed the estimated revenue recovered through the Company's tariffed Variable Distribution Service Charges for four years, a customer contribution for all excess costs will be required.

11. Relocation of Service Locations. Where a pole is replaced by the Company at its own option, it shall be the customer's responsibility to have the Utilization Facilities transferred from the old to the new pole.

**TERM OF CONTRACT.**

The initial contract term for each Service Location shall be for at least one year.

**PAYMENT TERMS.**

Bills will be rendered monthly.

RATE TL TRAFFIC LIGHTING SERVICE

**AVAILABILITY.**

To any municipality using the Company's standard service for electric traffic signal lights installed, owned and maintained by the municipality.

**CURRENT CHARACTERISTICS.**

Standard single-phase secondary service.

**RATE TABLE.**

VARIABLE DISTRIBUTION SERVICE CHARGE: 1.96¢ per kWh

COMPETITIVE TRANSITION CHARGE: 3.28¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

5.44¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

**SPECIAL RULES AND REGULATIONS.**

The use of energy will be estimated by the Company on the basis of the size of lamps and controlling apparatus and the burning-hours. The customer shall immediately notify the Company whenever any change is made in the equipment or the burning-hours, so that the Company may forthwith revise its estimate of the energy used.

The Company shall not be liable for damage to person or property arising, accruing or resulting from the attachment of the signal equipment to its poles, wires, or fixtures.

**MINIMUM CHARGE.**

\$3.56 per month per signal light.

**TERM OF CONTRACT.**

The initial contract term for each signal light installation shall be for at least one year.

**PAYMENT TERMS.**

Standard.

**RATE EP ELECTRIC PROPULSION**

**AVAILABILITY.**

This rate is available only to the National Rail Passenger Corporation (AMTRAK) and to the Southeastern Pennsylvania Transportation Authority (SEPTA) for untransformed service from the Company's standard high-tension lines, where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required and where the service is provided for the operation of electrified transit and railroad systems and appurtenances.

**CURRENT CHARACTERISTICS.**

Standard sixty hertz (60 Hz) high-tension service.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE: \$1,243.85 per delivery point

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

\$2.76 per kW of billing demand  
0.21¢ per kWh

**COMPETITIVE TRANSITION CHARGE:**

\$5.45 per kW of billing demand  
0.53¢ per kWh

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

\$7.00 per kW of billing demand  
1.90¢ per kWh

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**TIME-OF-USE ADJUSTMENT:**

There will be a credit for energy use during off-peak hours and an additional charge for energy use during on-peak hours. On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	Summer Months (June through September)	Winter Months (October through May)
Off-peak credit	0.21¢ per kWh	0.21¢ per kWh
On-peak charge	0.57¢ per kWh	0.22¢ per kWh

**HIGH VOLTAGE DISCOUNT:**

For delivery points supplied at 33,000 volts: 7¢ per kW  
For delivery points supplied at 69,000 volts: 30¢ per kW for first 10,000 kW of measured demand.  
For delivery points supplied over 69,000 volts: 30¢ per kW for first 100,000 kW of measured demand.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

**DETERMINATION OF BILLING DEMAND.**

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 5,000 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

**CONJUNCTIVE BILLING OF MULTIPLE DELIVERY POINTS.**

If the load of a customer located at a delivery point becomes greater than the capacity of the circuits established by the Company to supply the customer at that delivery point, upon the written request of the customer, the Company will establish a new delivery point and bill the customer as if it were delivering and metering the two services at a single point, as long as installation of the new service is, in the Company's opinion, less costly for the Company than upgrading the service to the first delivery point.

**RATE AL - ALLEY LIGHTING IN CITY OF PHILADELPHIA**

**APPLICABILITY.** To multiple, unmetered lighting service supplied the City of Philadelphia to operate incandescent lamps and appurtenances installed, owned and maintained by the City, which assumes the cost involved in making the connections to the Company's facilities.

**LIGHTING DISTRIBUTION SERVICE DEFINED.** All-night outdoor lighting of alleys and courts by incandescent lights installed on poles or supports supplied by the City.

**NOTICE TO COMPANY.** The City shall give advance notice to the Company of all proposed new installations or of the replacement or reconstruction of existing installations. The City shall advise the Company as to each new installation or change in the equipment or connected load of an existing installation, including any change in burning hours and the date on which such new or changed operation took effect.

**MONTHLY RATE TABLE.**

VARIABLE DISTRIBUTION SERVICE CHARGE: 10.35¢ per kWh

COMPETITIVE TRANSITION CHARGE: .08¢ per kWh

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

1.44¢ per kWh

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE APPLY TO THIS RATE**

**PLAN OF MONTHLY BILLING.** Bills may be rendered in equal monthly installments, computed from the calculated annual use of energy, adjusted each month to give effect to any new or changed rate of annual use, by reason of changes in the City's installation, with charge or credit for fractional parts of the month during which a change occurred.

**LIABILITY PROVISION.** The Company shall not be liable for damage, or for claims for damage, to persons or property, arising, accruing or resulting from, installation, location or use of lamps, wires, fixtures and appurtenances; or resulting from failure of any light, or lights, to burn for any cause whatsoever.

**TERM OF CONTRACT.** The initial contract term for each lighting unit shall be for at least one year.

**APPLICABILITY.** To customers, including but not limited to, Qualifying Facilities or Small Power Producers and cogenerators as defined in the Public Utility Regulatory Policies Act, whose electrical requirements are partially or wholly provided by facilities not owned by the Company and when such facilities operate in parallel with the Company, will be supplied under the provisions of this rider and the customer's other applicable Base Rate and riders.

**EXTENT OF SUPPLY.** The maximum firm supply available from the Company will be defined by contract except for customers served on Rates R, R-H and GS-without demand measurement.

**PARALLEL OPERATION.** The customer shall not commence initial operation of any other source of supply in parallel with the Company's distribution or transmission lines until written permission is given by the Company for such parallel operation. Written permission is not necessary for reestablishing parallel operation, but the customer shall notify the Company when resuming any parallel operation after an outage. The Company shall have the right to inspect the customer's installation in accordance with Tariff Rule 9.3.

**TYPE OF SUPPLY.** The following types of power supply are available:

**Supplementary Power** supply is available to add to alternative generating capacity whether or not owned by the customer. All power provided pursuant to this Rider shall be Supplementary Power unless it is provided within the definition of Back-up Power or Maintenance Power.

**Back-Up Power** supply is available to replace customer's alternative generating capacity ("AGC") whether or not owned by the customer during a forced outage of all or part of such generating capacity. Back-Up Power (firm and interruptible) shall be limited to 15% of the hours in any twelve-month period after which any additional power utilized shall be billed at Supplementary Power. The customer must orally notify the Company immediately when Back-Up Power is used, and within one business day after the forced outage giving rise to the need for Back-Up Power, shall furnish the Company with a letter verifying the outage, specifying the time at which the outage commenced, the reason for the outage, and providing the best estimate possible of its duration. Oral and written notice shall also be provided to the Company within one business day following the conclusion of the forced outage. The Company may require verification of the cause of such forced outage. The foregoing 15% limitation on the number of hours in which Back-Up Power may be received shall not apply during the following periods, nor shall such periods be taken into account in determining whether Back-Up Power use in any subsequent period has exceeded such limitation: (a) in the case of an AGC facility with rated capacity of 1 MW or less, the three-month period commencing on the date such facility is first operated in parallel with the Company's service; and (b) in the case of an AGC facility with rated capacity in excess of 1 MW; the six-month period commencing on the date such facility is first operated in parallel with the Company's service.

**Maintenance Power** is available to replace AGC during periods of scheduled maintenance. Maintenance Power will be supplied on a scheduled basis in one of the following manners:

- (a) Upon mutual agreement, at any time.
- (b) Upon at least 60 days written notice and not more than 180 days written notice by the customer, the Company will advise the customer, within 30 days of the receipt of the request, of the availability of the requested Maintenance Power, for power required for a period of more than 48 hours duration. If the power is unavailable during the requested period, the Company will provide Maintenance Power within 30 days prior or subsequent to the beginning of the requested period and will so inform the customer.
- (c) Upon 360 days written notice by the customer, the Company will provide Maintenance Power during the requested period, unless the cumulative total of all such power requested during such time period will exceed 5% of the Company's operable generating capacity, in which case the provisions of (b) above will apply.
- (d) For Maintenance Power required for a period of 48 hours or less duration, at a demand of 50 MW or less, the Company will supply such power on a least 30 days written notice.
- (e) The Company in its sole discretion may refuse to schedule firm Maintenance Power during the months of June through September except that Maintenance Power as defined in (d) above will be made available during June through September as long as it can be scheduled during Off-Peak Hours.

Maintenance Power will be limited to no more than 120 days in any twelve-month period, and no more than 60 consecutive days, after which any additional power utilized shall be billed as Supplementary Power. The foregoing limitations on the number of days in which Maintenance Power may be received shall not apply during the following periods, nor shall such periods be taken into account in determining whether Maintenance Power use in any subsequent period has exceeded such limitations: (a) in the case of an AGC facility with rated capacity of 1 MW or less, the three-month period commencing on the date such facility is first operated in parallel with the Company's service; and (b) in the case of an AGC facility with rated capacity in excess of 1 MW, the six-month period commencing on the date such facility is first operated in parallel with the Company's service. The supply of Maintenance Power will be terminated when generating capacity from which the customer is supplied is returned to operation as indicated by the recorded demands on the Company's metering equipment, or upon notification to the Company by the customer, or upon the expiration of the maximum maintenance period, whichever occurs first.

**INTERRUPTIBLE POWER FOR BACK-UP OR MAINTENANCE.** Customers with a minimum of 1,000 KW of interruptible Back-Up or Maintenance Power and who purchase their interruptible back-up or maintenance energy from ECO Energy may contract for interruptible supply. When a customer contracts for interruptible supply, such supply shall be interrupted when, in the sole judgment of the Company, any production, transmission or distribution capacity limitations exist. The customer shall interrupt such load after a minimum of sixty minutes prior notice by the Company. When a customer is notified by the Company to interrupt service and the customer fails to interrupt, a penalty of \$24 per kilowatt shall be applicable to each kilowatt of demand that has not been interrupted.

**RATE AND BILLING.**

All monthly bills for service on this rider shall include one application of the Fixed Distribution Service Charge of the applicable rate. All other capacity and energy charges of the applicable rate shall be modified as set forth below.

**SUPPLEMENTARY POWER.** Billing shall be under the provisions of the applicable rate and riders.

**FIRM BACK-UP POWER.** Charges are per kilowatt of demand specified in the contract for back-up supply. This charge shall include energy use equal in cost to the total monthly demand charge.

For all customers:

Variable Distribution Service Charge:	\$0.31 per kW
Competitive Transition Charge:	\$0.88 per kW
Energy and Capacity Charge:	\$1.64 per kW

For service billed at:

High Tension Voltage:

Variable Distribution Service Charge:	0.80¢ per kWh
Competitive Transition Charge:	2.29¢ per kWh
Energy and Capacity Charge:	4.28¢ per kWh

Primary Voltage:

Variable Distribution Service Charge:	1.72¢ per kWh
Competitive Transition Charge:	2.71¢ per kWh
Energy and Capacity Charge:	4.83¢ per kWh

Secondary Voltage:

Variable Distribution Service Charge:	2.10¢ per kWh
Competitive Transition Charge:	3.57¢ per kWh
Energy and Capacity Charge:	5.95¢ per kWh

The preceding "Energy and Capacity Charges" will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

**INTERRUPTIBLE BACK-UP POWER.** (Interruptible Back-up Power is available only to customers who are served under the Energy Services Rider.)

For service billed at:

High Tension Voltage:

Variable Distribution Service Charge:	0.15¢ per kWh
Competitive Transition Charge:	0.58¢ per kWh
Energy and Capacity Charge:	1.92¢ per kWh

Primary Voltage:

Variable Distribution Service Charge:	0.28¢ per kWh
Competitive Transition Charge:	0.64¢ per kWh
Energy and Capacity Charge:	2.11¢ per kWh

Secondary Voltage:

Variable Distribution Service Charge:	0.77¢ per kWh
Competitive Transition Charge:	1.73¢ per kWh
Energy and Capacity Charge:	3.50¢ per kWh

The preceding Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply from an EGS.

**FIRM MAINTENANCE POWER**

June through September: Same as Supplementary Power.

October through May: Same as Interruptible Back-Up Power.

**INTERRUPTIBLE MAINTENANCE POWER.** (Interruptible Maintenance Power is available only to customers who are served under the Energy Services Rider).

Same as Interruptible Back-Up Power.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

**BILLING.** Bills rendered to the customer shall distinguish between the customer's use of Supplementary Power, Back-Up Power and Maintenance Power. In the event that the customer receives two or more types of supply during the billing period, the billing characteristics shall be determined as follows:

- (a) the billing demand will be the maximum measured demand, adjusted for power factor in accordance with the Rules and Regulations, occurring during any unscheduled outage period of the month less the Supplementary Power billing demand; less the Scheduled Maintenance Power Capacity for the month if one or both of these additional services are provided at the time of maximum measured demand.
- (b) the energy use billed as Back-Up and/or Maintenance Power shall be one-half of the sum of the Back-Up and/or Maintenance half-hour demands;
- (c) the total energy use, less the energy use determined in (b) shall be the energy use for Supplementary Power;
- (d) if only one type of power is used, billing shall be in accordance with the total recorded demand and energy use.

**DISTRIBUTION FACILITIES.** Any investment in additions or changes to the Company's distribution facilities required to provide auxiliary service (in excess of such investments normally made by the Company to provide equivalent service to the customer) will be paid by the customer before the interconnection of Company and customer facilities. In addition, when necessary, the cost of communications equipment, such as telemetering or telephone, will be paid by the customer.

**POINTS OF SERVICE.** The Company shall not be required to serve customers receiving electric power from AGS facilities at multiple points of service that were used prior to the parallel operation of the AGS facilities if after the introduction of these AGS facilities the multiple points of service are disadvantageous to the Company or pose unacceptable risks.

**DATA.** The customer shall furnish such detailed load data and data on forced outage rates as the Company shall, from time to time, require, together with such supporting documentation as the Company shall request, in order for the Company to collect data and prepare such reports as may be required by the Commission.

**TERM.** Annual, except where otherwise specified by the firm rate.

**COOLING THERMAL STORAGE HT RIDER**

**AVAILABILITY/APPLICABILITY.** To customers displacing at least 50% of their conventional cooling capacity by utilizing a qualifying Cooling Thermal Storage application. To qualify, the customer must submit to the Company for technical review and approval an engineering study performed by a professional engineer registered in the Commonwealth of Pennsylvania.

**DEFINITION OF PEAK HOURS.** On-Peak Hours are defined as the hours between 8:00 a.m. and 8:00 p.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 p.m. on Fridays and during the months of June through September, On-Peak Hours will commence at 10:00 a.m. instead of 8:00 a.m. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

**RATE IMPACT.** Rate HT, including all its terms and guarantees, is applicable to service provided during On-Peak Hours. The capacity charges and blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) in Rate HT shall be based on the billing demand for On-Peak Hours except that, when the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the demand specified for Off-Peak Hours, the amount of such excess shall be added to the billing demand for On-Peak Hours and the resultant sum shall then constitute the basis for said capacity charges and blocking of energy charges. During the eight months of October through May, the billing demand will not be less than 80% of the average billing demand in the preceding months of June through September. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

**MONTHLY RATE TABLE.**

*Cooling Thermal Storage Service Billing and Metering Charge: \$11.21*  
*Off-peak charge per kW of Off-Peak billing demand per month: \$0.84*

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

**DETERMINATION OF OFF-PEAK BILLING DEMAND.** The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand, except that, when said greatest demand during Off-Peak Hours exceeds the demand specified for Off-Peak Hours, said greatest Off-Peak demand shall be reduced by the amount of the excess in determining the Off-Peak billing demand.

## EMPLOYMENT AND ECONOMIC RECOVERY RIDER

**AVAILABILITY/APPLICABILITY.** This rider is available to customers taking service under Rate HT or PD, and to those customers taking service under Rate GS at Service Locations in an Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code, for service provided to Qualifying Service Locations, as defined below. The Company will not begin to apply the rider until at least 30 days after the customer provides to the Company written notice of its desire to be placed on the rider.

### **I. QUALIFYING SERVICE LOCATIONS.**

**A. QUALIFYING EXISTING SERVICE LOCATION.** A Service location will be considered a Qualifying Existing Service Location if the customer can satisfy all of the following conditions:

1. The customer files with the Company, before the effective date of the rider for the Service Location, a Manufacturing Sales Tax Exemption Certificate, as defined below, for the Service Location. This condition is waived for Stevedoring Operations located within a Port Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
2. The customer files with the Company copies of the Base Period Employment Reports as defined below, for the Service Location.
3. The customer does not have an unpaid balance that includes a late fee for service previously provided to the Service Location before the effective date of the rider for the Service Location.
4. The arithmetic mean of the sum of the number of employees as determined from the Current Employment Report and the total Investment Units on record, as defined below, must be greater than the Base Period Employees, as defined below, by at least six (6).

**B. QUALIFYING NEW SERVICE LOCATION.** A Service Location will be considered a Qualifying New Service Location if the customer can satisfy all of the following conditions:

1. The customer files with the Company before the effective date of the rider for the Service Location a Manufacturing Sales Tax Exemption Certificate, as defined below, for the Service Location. This condition is waived for Stevedoring Operations located within a Port Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
2. The customer does not have an unpaid balance that includes a late fee for service provided to the Service Location before the effective date of the rider for the Service Location.
3. The Company has not previously provided service to the Service Location, or the service previously provided by the Company to the Service Location was not used for substantially the same type of operation or that was terminated at least twelve (12) months before the customer's contractually specified effective date for service under this rider. This condition is waived for existing service locations where an entity has assumed operation of a service location from a customer which has ceased operations as a result of dissolution, so long as the formation of the entity did not occur as a result of merger, joint venture, acquisition and/or any other variation of combined business structures with the former customer at the service location.

### **II. DEFINITIONS.**

1. **SERVICE LOCATION.** A single or contiguous premises having one or more delivery points for distribution service billed by the Company under a single account.
2. **MANUFACTURING SALES TAX EXEMPTION CERTIFICATE.** Pennsylvania Sales Tax Blanket Exemption Certificate filed by the customer with the Company showing the address of the Service Location and certifying that more than fifty (50) percent (on an annual basis) of the service purchased by the customer for the Service Location is exempt from sales tax because it is used in manufacturing operations, shipbuilding operations, or shipcleaning operations.
3. **EMPLOYMENT REPORT.** The "Employer's Report for Unemployment Compensation" (PA Form UC-2) as filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania.
4. **BASE PERIOD.** The twelve (12) month period immediately preceding the billing month in which the customer provides the Company written notice of its desire to be placed on the rider. If the customer does not then qualify not then qualify for the rider within 60 days of the written notice, then the base period will be the twelve month period immediately preceding the billing month to which this rider is first applied to the customer's bills.
5. **BASE PERIOD EMPLOYMENT REPORTS.** The Employment Reports for all quarterly reporting periods, as defined by 43 P.S. 753 [d], in the Base Period.

6. **BASE PERIOD EMPLOYEES.** The arithmetic mean of the number of employees each month as reported on the applicable Base Period Employment Report. An adjustment will be made to normalize Base Period Employees in quarters during which either the Casualty or Construction Rider was in effect for the Service Location.
  7. **BASE PERIOD ENERGY.** The number of kilowatt-hours used by the customer for service to the Qualifying Service Location during each month of the Base Period. An adjustment will be made to normalize usage in months during which the Construction or Casualty rider was in effect.
  8. **CURRENT EMPLOYMENT REPORT.** The Employment Report covering the calendar month immediately following the Base Period as defined by 43 P.S. 753 [d]. The customer may submit an updated Employment Report at any time to reflect increases in Current Period Employees replacing and superseding the original report. The Company reserves the right to request an updated Employment Report at any time which may reflect increases or decreases in Current Period Employees replacing and superseding the original report.
  9. **CURRENT PERIOD EMPLOYEES.** The arithmetic mean of the number of employees each month as reported on the Current Employment Report.
  10. **INVESTMENT UNIT.** Each \$15,000 of new investment in physical plant, machinery or equipment, excluding land, placed in service at a Service Location on or after the beginning of the Base Period, as certified in writing by a Certified Public Accountant on a form supplied by the Company.
- III. **RATE REDUCTION.** The rate reduction will be applicable to the customer's base bill for the Qualifying Service Location before the application of the State Tax Adjustment and Nuclear Decommissioning Cost Adjustment. For the purpose of calculating this reduction an Investment Unit shall be considered the equivalent of one additional employee.
- A. **QUALIFYING EXISTING SERVICE LOCATION.**
1. **Monthly Eligibility** - The customer is not eligible for the rate reduction in any month in which one or more of the following conditions is true:
    - a. *The customer's electric energy usage is less than its usage in the corresponding month of the Base Period.*
    - b. The customer does not have on file with PECO Energy a Manufacturing Sales Tax Exemption Certificate for at least 50% of its electric use, this condition is waived for Stevedoring Operations located within a Port Enterprise Development Area.
    - c. The customer has an unpaid balance which includes a late fee.
    - d. The customer has transferred to Rate GS and the Service Location is not in an Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
    - e. The arithmetic mean of the sum of: (1) the number of employees as determined from the Current Employment Report and, (2) the Total Investment Units on record, does not exceed the Base Period Employees by at least six (6).
  2. **Calculation of Reduction** - The rate reduction shall apply to the number of kilowatt-hours that constitute the difference between, (1) the number of kilowatt-hours used in the month and, (2) the Base Period Energy for the corresponding month of the Base Period.

The Revenue Reduction applied to each qualifying kilowatt-hour shall be calculated using the following formula:

$$R = F \times N$$

Where:

R = Revenue Reduction, cents per kWh

$N = (C+I-B)/B \times 100$

If the result of this calculation of N is a value greater than 20, N shall be equal to 20

C = Current Period Employees

I = Investment Units Added

B = Base Period Employees, and

For values set forth in the following table:

<u>Year(s)</u>	<u>Variable Distribution Service</u>		<u>CTC</u>		<u>Energy and Capacity*</u>
one (1) through five (5)	0.006 cents	+	0.014 cents	+	0.027 cents
six (6)	0.004cents	+	0.012 cents	+	0.022 cents
seven (7)	0.003 cents	+	0.009cents	+	0.016 cents
eight (8)	0.002 cents	+	0.006 cents	+	0.011 cents
nine (9)	0.001 cents	+	0.003 cents	+	0.005 cents

\*If the customer receives Default PLR Service, these rate reductions shall apply. They shall not apply if the customer obtains Competitive Energy Supply.

**B. QUALIFYING NEW SERVICE LOCATION**

1. Monthly Eligibility - The customer is not eligible for the rate reduction in any month in which one or more of the following conditions is true:
  - a. The customer does not have on file with PECO Energy a Manufacturing Sales Tax Exemption Certificate for at least 50% of its use.
  - b. The customer has an unpaid balance which includes a late fee.
  - c. The customer has transferred to Rate GS and the Service Location is not in an Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
2. The following rate reduction shall apply to all kilowatt-hours:

<u>Year(s)</u>	<u>Variable Distribution Service</u>	<u>CTC</u>	<u>Energy and Capacity*</u>
one (1) through five (5)	0.102 cents	0.292 cents	0.557 cents
six (6)	0.081 cents	0.233 cents	0.438 cents
seven (7)	0.061 cents	0.1766 cents	0.328 cents
eight (8)	0.041 cents	0.117 cents	0.219cents
nine (9)	0.020 cents	0.059 cents	0.119 cents

\*If the customer receives Default PLR Service, these rate reductions shall apply. They shall not apply if the customer obtains Competitive Energy Supply.

3. Accelerated Rate Reduction - The customer may select an accelerated rate reduction over a shorter time period. The rate reduction shall apply to all kilowatt-hours as follows:

<u>Year(s)</u>	<u>Variable Distribution Service</u>	<u>CTC</u>	<u>Energy and Capacity*</u>
one (1) through four (4)	0.138 cents	0.393 cents	0.739 cents

\*If the customer receives Default PLR Service, these rate reductions shall apply. They shall not apply if the customer obtains Competitive Energy Supply.

- IV. **TERM OF CONTRACT.** This rider shall be in effect for either a period of nine years, for customers choosing the standard rate reduction, or for a period of four years for Qualifying New Service Locations selecting the accelerated rate reduction, which period of time shall be continuous and shall begin on the date on which the Company first applies the rider to the customer's bill for the Service Location. This term cannot be modified except as provided below under the heading RENEWAL.
- V. **RENEWAL.** A customer may renew the rider at any time in accordance with the terms and provisions of the rider as it applies to Qualifying Existing Service Locations. For renewal customers, the Base Period Energy for any month of the new Base Period shall not be less than the Base Period Energy of the corresponding month of the customer's previous Base Period. The Term of Contract for the renewal shall begin on the date on which the renewal of the rider is first applied based on the new Base Period.
- VI. **TRANSFER OF OWNERSHIP.** The Company will only apply the rider to the customer's bills for the term of contract. If, during the term of contract, the ownership of the service location changes, the Company may continue to apply the rider to the new owner's bills for the Service Location. If the Company continues to apply the rider in such circumstances, the Company shall apply the rider to the new owner's bills for the Service Location as if the new owner had been on the rider for the Service Location for the same period of time as was the previous owner.

## LARGE INTERRUPTIBLE LOAD RIDER

### AVAILABILITY.

This rider is restricted to Rate HT and EP customers under contract, pursuant to this rider, on December 1, 1995. Customers must satisfy the load requirement defined below.

### FIRM DEMAND.

The firm demand is the demand to which the customer must reduce its load when called upon to interrupt pursuant to the "Interruptions" section below.

### LOAD REQUIREMENT.

The average of the customer's maximum daily On-Peak demands on the 60 days with the customer's highest on peak maximum measured demands during the most recent summer billing period (June through September in the same calendar year) must be 10,000 kW or greater than the customer's firm demand as originally specified in the contract between the customer and the Company. The Company will not begin to bill a customer pursuant to the "Energy and On-Peak Billing Demand" section of this rider until the customer has satisfied this load requirement. If a customer fails to satisfy its load requirement in a summer billing period, the Company will no longer bill the customer in accordance with the provisions of the "Energy and On-Peak Billing Demand" section of this rider until the customer again satisfies its load requirement. A customer under agreement to be served under the former Supplemental Energy provision of the Night Service HT Rider on or before June 1, 1993 is exempt from the above load requirement and may continue to qualify for this rider based on the load requirement in effect at the time that such customer executed its contract or agreement.

For a customer that operates standby generation or that uses cogeneration to serve any portion of its load during an interruption, the Company, at any time, has the right to inspect the customer's equipment or operating records to obtain reasonable assurance that the customer will be able to comply with an interruption request. If the Company in good faith believes that the customer is not capable of complying completely with an interruption request, and the customer is not able to remedy the condition that the Company believes would render the customer unable to comply completely, the Company will then, (1) require the customer to amend its contract to reflect a higher firm demand to which the Company in good faith believes that the customer would be able to reduce load, or, (2) terminate the customer's contract if the required increase in firm demand would render the customer unable to satisfy the load requirement as described in the preceding paragraph.

### INTERRUPTIONS.

When, in the sole judgment of the Company and at any time of day and for any duration, there exists any potential or actual production, transmission, or distribution capacity limitation, the customer must reduce load for the duration of the interruption to its firm demand within one hour of notification by the Company during the On-Peak interruption hours (as defined in the "Penalty for Failure to Interrupt" section below) in the months of June through September. The customer will be required to reduce load to its firm demand within two hours of notification by the Company during all other hours. (The Company will make its best efforts to notify the customer as far in advance as possible).

### PENALTY FOR FAILURE TO INTERRUPT.

Definition of Peak Interruption Hours: On-peak interruption hours are the hours between 8:00 am and 8:00 pm Eastern Standard Time or Daylight Savings Time, whichever is in common use, Monday through Friday except Saturdays, Sundays and holidays (as defined in the "Definitions Of Terms And Explanation of Abbreviations" Section of the Company's Tariff). Off-peak interruption hours are all hours other than On-Peak interruption hours.

Each time the customer fails to comply with the "Interruptions" section above, the following will occur:

- A. June through September Exclusively On-Peak:
  - 1. Firm Demand Adjustment - The Company will increase the customer's firm demand to the third highest On-Peak half-hour demand measured during the interruption for the balance of the customer's term of contract. This adjustment will become effective in the month of the failure to interrupt; and
  - 2. Penalty per kW of Uninterrupted Demand - The Company will apply a penalty of \$24 per kW to the difference between the firm demand in effect immediately preceding the interruption and the maximum demand measured during the interruption period. The penalty will be applied to the customer's bill in the month in which the failure to interrupt occurs.
- B. October through May Exclusively On-Peak:
  - 1. Same as A.1. above.

- C. Exclusively Off-Peak  
1. Same as A.2. above.

If an interruption spans On-Peak and Off-Peak Hours, the "Firm Demand Adjustment" will be based on the customer's third highest half-hour demand during the On-Peak Hours of interruption. The "Penalty per kW of Uninterrupted Demand" will be based on the customer's highest half-hour demand measured during the entire interruption period, except that in the interruption period, except that in the months of October through May, such penalty shall be based on the highest half-hour measured demand during the Off-Peak Hours of the interruption.

Request for Test: Twelve months or thereafter following the month in which a customer fails to interrupt to its firm demand, the customer may request a test interruption to be conducted during On-Peak Hours to establish a new firm demand. The Company, in its sole judgment, will schedule the time and establish the length and acceptance criteria for the test interruption and will determine if the customer has met the acceptance criteria. A test interruption will establish a customer's new firm demand.

#### **UNBUNDLED RATE AND BILLING.**

Definition of Peak Billing Hours: On-peak billing hours are the hours between 8:00 am and 8:00 pm Eastern Standard Time or Daylight Savings Time, whichever is in common use, Monday through Friday except Saturdays, Sundays and holidays (as defined in the "Definitions Of Terms And Explanation of Abbreviations" Section of the Company's Tariff); except that On-Peak billing hours will end at 4:00 pm on Fridays. Off-peak billing hours are all hours other than On-Peak billing hours.

On-Peak Billing Demand: The On-Peak billing demand shall be the firm demand as originally specified in the contract or the adjusted firm demand (as determined in accordance with the "Penalty For Failure To Interrupt" section), if applicable, between the customer and the Company, adjusted for power factor and excess Off-Peak demand, if any. The On-Peak billing demand for the winter billing months of October through May shall not be less than 80% of the highest billing demand during the summer billing period before execution of the contract. In no case shall the On-Peak billing demand be less than the minimum billing demand calculated in accordance with the customer's applicable firm Rate (Rate HT or Rate EP). If the Company, pursuant to Rule 11.3 of the Company's Tariff, permits a customer to reduce its firm demand during a winter billing month, the customer's On-Peak billing demand for the remaining winter months shall not be less than 80% of the highest billing demand in the most recent preceding summer billing period.

Off-Peak Billing Demand: The Off-Peak billing demand shall be the amount by which the maximum measured demand during Off-Peak Hours exceeds the On-Peak billing demand, whether the latter is a minimum or an actual measured demand adjusted for power factor, except that, when said maximum measured demand during Off-Peak Hours exceeds the demand specified in the contract for Off-Peak Hours, said maximum registered measured demand shall be reduced by the amount of such excess. In addition, when the highest measured demand during the Off-Peak Hours exceeds the demand specified in the contract for Off-Peak Hours, the amount of such excess Off-Peak demand shall be added to the On-Peak Billing Demand.

#### Distribution Charges:

Fixed Distribution Service Charge: Rate HT Fixed Distribution Charge using On-Peak Billing Demand  
Variable Distribution Service Charges for On-Peak kWh associated with interruptible load (adjusted for power factor pursuant to Rule 15.3(d)): \$0.0048 per kWh  
Variable Distribution Service Charges for all other kWh: Rate HT Variable Distribution Charges using On-Peak Billing Demand  
Off-peak Charge per kW of Off-Peak billing demand per month: \$0.84  
Night Service Billing and Metering Charge: \$11.21

#### Competitive Transition Charges:

Competitive Transition Charges for On-Peak kWh associated with interruptible load (adjusted for power factor pursuant to Rule 15.3(d)): \$0.00 per kWh  
Competitive Transition Charges for all other kWh: Rate HT Competitive Transition Charges using On-Peak Billing Demand

#### Energy and Capacity Charges:

Energy and Capacity Charge for On-Peak kWh associated with the customer's interruptible load (adjusted for power factor pursuant to Rule 15.3(d)): PECO Energy hourly PJM billing rate or its replacement (adjusted for Pennsylvania Gross Receipts Tax). The energy usage billed at this rate shall not exceed the energy usage during the Off-Peak Hours during the current billing month.

Energy and Capacity Charges for all other kWh: Rate HT Energy Charges using On-Peak Billing Demand.

THE STATE TAX ADJUSTMENT CLAUSE AND RATE HT TIME-OF-USE ADJUSTMENT CLAUSES ARE NOT APPLICABLE TO THE ON-PEAK ENERGY AND CAPACITY CHARGES ASSOCIATED WITH THE CUSTOMER'S INTERRUPTIBLE LOAD. THE NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLIES TO THIS RIDER.

#### **FACILITIES.**

Additional expenses required by the Company to implement this rider including, but not limited to, the cost of communication, telemetering or telephone equipment, shall be paid by the customer.

## **OTHER RIDERS.**

The Curtailment HT Rider is not available in conjunction with this rider. The rate reductions specified in the Employment and Economic Recovery Rider are not applicable to the energy usage associated with the interruptible load, in both On-Peak and Off-Peak Hours, even if all of that energy usage, or any portion of it, is being billed in accordance with the applicable Rate (Rate HT or Rate EP) due to the application of the provisions in the "Penalty For Failure To Interrupt" section or because the customer has failed to satisfy its load requirement. In addition, the On-Peak energy usage charge for energy usage associated with interruptible load is not applicable to back-up or maintenance power as defined in the Auxiliary Service Rider (ASR), except when such power would otherwise be billed as supplementary power under the ASR. Firm back-up or maintenance power may not be used to serve interruptible load during periods of interruption.

## **TERM OF CONTRACT/RIGHTS AND CONSEQUENCES ASSOCIATED WITH DIRECT ACCESS.**

Customers served under this rider may remain on this rider throughout the Statutory Transition Period, and may terminate their service under this rider on thirty (30) days notice. Throughout the Statutory Transition Period or any rate cap period contained in the Joint Petition for Full Settlement, whichever is longer, customers may remain on the rider while also obtaining Competitive Energy Supply. If a customer wishing to remain on this rider obtains Competitive Energy Supply, the customer will continue to pay the unbundled Distribution Charges and Competitive Transition Charges set forth in the Unbundled Rate And Billing section of this rider, and will be entitled to the unbundled Energy and Capacity Charges set forth in that section should the customer wish to return to Default PLR Service.

**NIGHT SERVICE GS RIDER**

(The number of customers served under this rider may be limited by the availability of the required demand meters.)

**AVAILABILITY/APPLICABILITY.** To service provided during Off-Peak Hours for demands in excess of those supplied during On-Peak Hours. The demand specified for Off-Peak Hours may be limited to an amount determined by the Company which shall be dependent upon the capacity of the generation, transmission and distribution facilities available for such supply.

**DEFINITION OF PEAK HOURS.** On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

**RATE IMPACT.** Rate GS (with demand measurement), including all its terms and guarantees, is applicable. The blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) shall be based on the billing demand for On-Peak Hours. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

**MONTHLY RATE TABLE.**

Night Service billing and metering charge: \$8.97

The meter charge will be \$5.00 for those customers served before November 23, 1983 whose metering does not provide for the extended Off-Peak Hours beginning at 4:00 pm on Fridays.

Charge per kW of Off-Peak billing demand per month: \$0.43 per kW.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

**DETERMINATION OF OFF-PEAK BILLING DEMAND.** *The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand.*

**OTHER RIDERS.** This rider will not be applied in conjunction with the Temporary Service Rider.

**TERM OF CONTRACT.** The initial contract term shall be for at least one year.

## NIGHT SERVICE HT RIDER

**AVAILABILITY/APPLICABILITY.** To service provided during Off-Peak Hours for demands in excess of those supplied during On-Peak Hours. The demand specified for Off-Peak Hours shall be limited to an amount determined by the Company which shall be dependent upon the capacity of the generation, transmission and distribution facilities available for such supply.

**DEFINITION OF PEAK HOURS.** On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

**RATE IMPACT.** Rates HT or EP, including all terms and guarantees, are applicable during On-Peak Hours. The capacity charges and blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) shall be based on the billing demand for On-Peak Hours except that, when the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the demand specified for Off-Peak Hours, the amount of such excess shall be added to the billing demand for On-Peak Hours and the resultant sum shall then constitute the basis for said capacity charges and blocking of energy charges. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

### **MONTHLY RATE TABLE.**

Night Service billing and metering charge: \$11.21  
Charge per kW of Off-Peak billing demand per month: \$0.84

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

**DETERMINATION OF OFF-PEAK BILLING DEMAND.** The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand, except that, when said greatest demand during Off-Peak Hours exceeds the demand specified for Off-Peak Hours, said greatest Off-Peak demand shall be reduced by the amount of the excess in determining the Off-Peak billing demand.

**OTHER RIDERS.** Where the Off-Peak Rider and this rider are applied to the same contract, the Off-Peak Rider will be applied only to the provisions of the contract, and this rider will then be applied to the contract as modified. This rider will not be applied in conjunction with the Temporary Service Rider.

**TERM OF CONTRACT.** The initial contract term shall be for at least one year.

NIGHT SERVICE PD RIDER

**AVAILABILITY/APPLICABILITY.** To service provided during Off-Peak Hours for demands in excess of those supplied during On-Peak Hours. The demand specified for Off-Peak Hours shall be limited to an amount determined by the Company which shall be dependent upon the capacity of the generation, transmission and distribution facilities available for such supply.

**DEFINITION OF PEAK HOURS.** On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

**RATE IMPACT.** Rate PD, including all terms and guarantees, is applicable during On-Peak Hours. The capacity charges and blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) shall be based on the billing demand for On-Peak Hours except that, when the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the demand specified for Off-Peak Hours, the amount of such excess shall be added to the billing demand for On-Peak Hours and the resultant sum shall then constitute the basis for said capacity charges and blocking of energy charges. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

**MONTHLY RATE TABLE.**

Night Service billing and metering charge: \$11.21  
Charge per kW of Off-Peak billing demand per month: \$0.79

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

**DETERMINATION OF OFF-PEAK BILLING DEMAND.** The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand, except that, when said greatest demand during Off-Peak Hours exceeds the demand specified for Off-Peak Hours, said greatest Off-Peak demand shall be reduced by the amount of the excess in determining the Off-Peak billing demand.

**OTHER RIDERS.** Where the Off-Peak Rider and this rider are applied to the same contract, the Off-Peak Rider will be applied only to the provisions of the contract, and this rider will then be applied to the contract as modified. This rider will not be applied in conjunction with the Temporary Service Rider.

**TERM OF CONTRACT.** The initial contract term shall be for at least one year.

**SEASONAL CAPACITY CHARGE SERVICE RIDER**

**AVAILABILITY.** For service to Rate HT customers that satisfy both of the following eligibility requirements:4

1. The average of the customer's billing demands during the most recent December-February billing period (the most recent consecutive December, January and February billing months) must be at least 2,000 kW greater than the customer's highest billing demand during the summer billing period (consecutive billing months of June through September) preceding the most recent December-February billing period.
2. The customer may not have installed generation equipment the sole function of which is peak shaving.

The rider shall be available on a first-come-first-served basis. The Company will continue to place qualifying customers on this rider until the placement of an additional customer would increase the total monthly non-coincident peak load supplied under this rider to 40 MW or more.

**RATE AND BILLING.** Rate HT High Tension Power, including all of its terms and conditions, except that the On-Peak capacity charges shall be as follows:

<u>Summer Months</u> <u>(June through September)</u>		<u>Winter Months</u> <u>(October through May)</u>	
Distribution Charge	\$2.91 per kW	Distribution Charge	\$0.73 per kW
CTC	\$8.67 per kW	CTC	\$2.17 per kW

Energy and Capacity Charge Prices: The following energy charges will apply to customers that receive Default PLR Service and are not applicable to customers who purchase Competitive Energy Supply.

<u>Summer Months</u>	<u>Winter Months</u>
Energy and Capacity Charge	Energy and Capacity Charge
\$10.77 per kW	\$2.69 per kW

The preceding modifications to the "Energy and Capacity Charges" will apply to the customer if the customer receives Default PLR Service. These modifications to the "Energy and Capacity Charges" will not apply to the customer if it obtains Competitive Energy Supply.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

**OTHER RIDERS.** A customer served under this rider *may not* receive service under the Employment and Economic Recovery Rider, the Large Interruptible Load Rider, or the Curtailment HT Rider.

**TERM OF CONTRACT.** Service under this rider shall be for a period of at least three years.

## SUBURBAN STREET LIGHTING RIDER

### **AVAILABILITY.**

Available with the first regular billing cycle beginning after September 6, 1999 and limited to qualified governmental agencies and community associations that were served under base Rate SL-E as of July 8, 1999. If, however, any qualified customer that utilizes this rider chooses at any point to switch to base Rate SL-E, said customer may not thereafter return to this rider.

This rate is not available to commercial or industrial customers. All facilities and their installation shall be approved by the Company.

### **MONTHLY RATE TABLE.**

SERVICE LOCATION DISTRIBUTION CHARGE: \$8.87 per Service Location (as defined below)  
SERVICE LOCATION CTC CHARGE: \$0.32 per Service Location (as defined below)

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

0.289¢ per Watt  
1.826¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

### **SERVICE LOCATION.**

A Service Location shall comprise each lighting installation and must be separately connected to a delivery point on the Company's secondary circuit.

### **DETERMINATION OF BILLING DEMAND.**

The wattage, expressed to the nearest tenth of a watt, of a Service Location shall be composed of manufacturer's rating of its lamps, ballasts, transformers, individual controls and other load components required for its operation. The aggregate of wattages of all Service Locations in service shall constitute the billing demand for the month.

### **DETERMINATION OF ENERGY BILLED.**

The energy use for a month of a Service Location shall be computed to the nearest kilowatt-hour as the product of one-thousandth of its wattage and the effective hours of use of such wattage during the calendar month under the established operation schedules as set forth under Terms and Conditions, Paragraph 6 Service. The aggregate of the kilowatt-hours thus computed for all Active Service Locations shall constitute the energy billed for the month.

### **TERMS AND CONDITIONS.**

Per Rate SL-E.

### 2003 Unbundled Revenue

	<u>Sales</u> (MWh)	<u>New Total Rev</u> (1a)	<u>Transmission</u> (2)	<u>Distribution</u> (3)	<u>Allocation of \$60,480,000 *</u>		<u>New Distribution</u> (3a)	<u>CTC</u> (4)	<u>Market Energy</u> (5)=1-2-3-4
					<u>Alloc</u> %	<u>\$ (60,480,000)</u> Allocation			
HT	14,658,553	1,009,078,351	51,599,547	112,192,242	12.83%	(7,757,915)	104,434,327	291,778,595	561,265,881
EP	659,488	48,230,071	2,392,213	7,538,327	0.86%	(521,263)	7,017,063	13,238,998	25,581,797
PD	1,116,687	105,971,703	5,225,160	20,180,003	2.31%	(1,395,415)	18,784,588	28,989,934	52,972,021
GS	6,810,363	780,758,667	40,157,296	146,057,522	16.70%	(10,099,645)	135,957,877	223,478,620	381,164,874
GS	6,769,397	776,138,624	39,919,670	145,193,245	16.60%	(10,039,882)	135,153,363	222,156,213	378,909,800
TL	40,966	4,620,043	237,626	864,277	0.10%	(59,763)	804,514	1,322,407	2,255,074
RH	2,907,681	291,215,686	11,613,575	101,610,357	11.62%	(7,026,194)	94,584,162	61,921,076	123,096,872
R	7,948,785	1,101,760,837	44,451,655	444,697,976	50.84%	(30,750,157)	413,947,819	235,001,710	408,359,653
R	7,948,703	1,101,750,794	44,451,250	444,693,923	50.84%	(30,749,877)	413,944,045	234,999,568	408,355,931
RT	82	10,044	405	4,054	0.00%	(280)	3,774	2,142	3,723
OP	387,994	25,490,341	184,337	19,741,847	2.26%	(1,365,117)	18,376,730	337,695	6,591,580
SLP	91,679	13,411,095	158,528	10,967,767	1.25%	(758,404)	10,209,363	617,495	2,425,709
SLS	17,456	5,021,132	83,605	3,962,147	0.45%	(273,976)	3,688,170	377,560	871,797
SLE	48,540	7,652,082	77,941	6,009,061	0.69%	(415,517)	5,593,544	264,258	1,980,596
OTHER	9,311	1,807,972	10,556	1,683,270	0.19%	(116,395)	1,566,874	10,507	220,035
POL	9,279	1,804,092	10,533	1,679,657	0.19%	(116,146)	1,563,512	10,485	219,563
AL	32	3,880	23	3,612	0.00%	(250)	3,362	23	472
<b>TOTAL</b>	<b>34,656,536</b>	<b>3,390,397,938</b>	<b>155,954,414</b>	<b>874,640,518</b>	<b>100%</b>	<b>(60,480,000)</b>	<b>814,160,518</b>	<b>856,016,448</b>	<b>1,564,530,816</b>
¢/kWh		9.78	0.45	2.52		\$ (0.17)	2.35	2.47	4.51

\* Reflects 0.8% load growth.

**2003 Unbundled Unit Rates (¢/kWh)**

		<u>New Total Rev</u>	<u>Transmission</u>	<u>Distribution</u>	<u>Allocation of \$60,480,000 *</u>		<u>New Distribution</u>	<u>CTC</u>	<u>Market Energy</u>
		(1a)	(2)	(3)	<u>Alloc</u>	<u>\$ (60,480,000)</u>	(3a)	(4)	(6)=1-2-3-4-5
					%	Allocation			
HT	14,658,553	6.88	0.35	0.77	12.83%	(0.05)	0.71	1.99	3.83
EP	659,488	7.31	0.36	1.14	0.86%	(0.08)	1.06	2.01	3.88
PD	1,116,687	9.49	0.47	1.81	2.31%	(0.12)	1.68	2.60	4.74
GS	6,810,363	11.46	0.59	2.14	16.70%	(0.15)	2.00	3.28	5.60
GS	6,769,397	11.47	0.59	2.14	16.60%	(0.15)	2.00	3.28	5.60
TL	40,966	11.28	0.58	2.11	0.10%	(0.15)	1.96	3.23	5.14
RH	2,907,681	10.02	0.40	3.49	11.62%	(0.24)	3.25	2.13	4.23
R	7,948,785	13.86	0.56	5.59	50.84%	(0.39)	5.21	2.96	5.14
R	7,948,703	13.86	0.56	5.59	50.84%	(0.39)	5.21	2.96	5.14
RT	82	12.31	0.50	4.97	0.00%	(0.34)	4.63	2.63	4.56
OP	387,994	6.57	0.05	5.09	2.26%	(0.35)	4.74	0.09	1.70
SLP	91,679	14.63	0.17	11.96	1.25%	(0.83)	11.14	0.67	2.65
SLS	17,456	28.77	0.48	22.70	0.45%	(1.57)	21.13	2.16	4.99
SLE	48,540	15.76	0.16	12.38	0.69%	(0.86)	11.52	0.54	4.08
OTHER	9,311	19.42	0.11	18.08	0.19%	(1.25)	16.83	0.11	2.36
POL	9,279	19.44	0.11	18.10	0.19%	(1.25)	16.85	0.11	2.37
AL	32	12.12	0.07	11.29	0.00%	(0.78)	10.51	0.07	1.48
TOTAL		9.78	0.45	2.52	100.00%	(0.17)	2.36	2.47	4.51

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate R**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.91745
(25) Fixed Distribution Charge	13,709,923 Bills	\$ 5.10	\$ 69,920,607	\$ 72,185,059		
(26)						
(27) Transmission Service Charge						
(28) Up to 500 kwh	5,415,895,024 kWh	\$ 0.0055	\$ 29,542,074	\$ 30,498,825		
(29) kwh over 500-Winter	1,084,642,063 kWh	\$ 0.0055	\$ 5,916,395	\$ 6,108,004		
(30) kwh over 500-Summer	1,198,814,912 kWh	\$ 0.0063	\$ 7,598,340	\$ 7,844,420		
(31)			\$ 43,056,810	\$ 44,451,250		
(32) Variable Distribution Charge						
(33) Up to 500 kwh	5,415,895,024 kWh	\$ 0.0457	\$ 247,567,493	\$ 255,585,227	\$ 0.0419	\$ 234,487,139
(34) kwh over 500-Winter	1,084,642,063 kWh	\$ 0.0457	\$ 49,580,377	\$ 51,186,090	\$ 0.0419	\$ 46,960,773
(35) kwh over 500-Summer	1,198,814,912 kWh	\$ 0.0531	\$ 63,675,354	\$ 65,737,547	\$ 0.0487	\$ 60,311,034
(36)			\$ 360,823,223	\$ 372,508,863		\$ 341,758,946
(37) Competitive Transition Charge						
(38) Up to 500 kwh	5,415,895,024 kWh	\$ 0.0288	\$ 156,341,210	\$ 161,404,485		
(39) kwh over 500-Winter	1,084,642,063 kWh	\$ 0.0288	\$ 31,310,476	\$ 32,324,499		
(40) kwh over 500-Summer	1,198,814,912 kWh	\$ 0.0334	\$ 39,975,922	\$ 41,270,584		
(41)			\$ 227,627,608	\$ 234,999,568		
(42) Electric Generation						
(43) Up to 500 kwh	5,415,895,024 kWh	\$ 0.0505	\$ 273,323,524	\$ 282,175,394		
(44) kwh over 500-Winter	1,084,642,063 kWh	\$ 0.0505	\$ 54,738,541	\$ 56,511,306		
(45) kwh over 500-Summer	1,198,814,912 kWh	\$ 0.0563	\$ 67,493,687	\$ 69,679,541		
(46)			\$ 395,555,752	\$ 408,366,241		
(47)						
(48) Total Revenue			\$ 1,096,984,000	\$ 1,132,510,981		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate RT**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.89001
(29) Fixed Distribution Charge	143 bills	\$ 10.19	\$ 1,458	\$ 1,505		
(30)						
(31) Transmission Charge						
(32) Summer Off-peak kwh	32,901 kWh	\$ 0.0030	\$ 98	\$ 101		
(33) Summer On-peak kwh	8,067 kWh	\$ 0.0121	\$ 98	\$ 101		
(34) Winter Off-peak kwh	27,659 kWh	\$ 0.0030	\$ 82	\$ 85		
(35) Winter On-peak kwh	10,372 kWh	\$ 0.0111	\$ 115	\$ 119		
(36)			\$ 393	\$ 405		
(37) Variable Distribution Charge						
(38) Summer Off-peak kwh	32,901 kWh	\$ 0.0187	\$ 615	\$ 635	\$ 0.0166	\$ 565
(39) Summer On-peak kwh	8,067 kWh	\$ 0.0761	\$ 614	\$ 633	\$ 0.0677	\$ 564
(40) Winter Off-peak kwh	27,659 kWh	\$ 0.0187	\$ 517	\$ 533	\$ 0.0166	\$ 475
(41) Winter On-peak kwh	10,372 kWh	\$ 0.0698	\$ 724	\$ 747	\$ 0.0621	\$ 665
(42)			\$ 2,469	\$ 2,549		\$ 2,268
(43) Competitive Transition Charge						
(44) Summer Off-peak kwh	32,901 kWh	\$ 0.0162	\$ 535	\$ 552		
(45) Summer On-peak kwh	8,067 kWh	\$ 0.0619	\$ 500	\$ 516		
(46) Winter Off-peak kwh	27,659 kWh	\$ 0.0162	\$ 449	\$ 464		
(47) Winter On-peak kwh	10,372 kWh	\$ 0.0569	\$ 591	\$ 610		
(48)			\$ 2,075	\$ 2,142		
(49) Electric Generation						
(50) Summer Off-peak kwh	32,901 kWh	\$ 0.0331	\$ 1,089	\$ 1,124		
(51) Summer On-peak kwh	8,067 kWh	\$ 0.0904	\$ 729	\$ 753		
(52) Winter Off-peak kwh	27,659 kWh	\$ 0.0331	\$ 915	\$ 945		
(53) Winter On-peak kwh	10,372 kWh	\$ 0.0841	\$ 872	\$ 900		
(54)			\$ 3,605	\$ 3,722		
(55)						
(56) Total Revenue			\$ 10,000	\$ 10,323		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate RH**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	<u>New Pricing For</u> <u>Distribution</u>	<u>New Distribution</u> <u>Revenue @</u> 0.92363
(29) Fixed Distribution Charge	1,824,041 bills	\$ 5.10	\$ 9,302,607	\$ 9,603,882		
(30)						
(31) Transmission Charge						
(32) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0055	\$ 2,513,424	\$ 2,594,824		
(33) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0064	\$ 2,259,924	\$ 2,333,114		
(34) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0055	\$ 3,239,862	\$ 3,344,788		
(35) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0023	\$ 3,236,047	\$ 3,340,850		
(36)			\$ 11,249,256	\$ 11,613,575		
(37) Variable Distribution Charge						
(38) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0435	\$ 19,912,151	\$ 20,557,027	\$ 0.0402	\$ 18,987,161
(39) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0506	\$ 17,903,842	\$ 18,483,677	\$ 0.0467	\$ 17,072,145
(40) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0435	\$ 25,667,227	\$ 26,498,487	\$ 0.0402	\$ 24,474,893
(41) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0181	\$ 25,637,002	\$ 26,467,284	\$ 0.0167	\$ 24,446,072
(42)			\$ 89,120,223	\$ 92,006,475		\$ 84,980,271
(43) Competitive Transition Charge						
(44) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0289	\$ 13,195,327	\$ 13,622,672		
(45) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0333	\$ 11,795,583	\$ 12,177,595		
(46) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0289	\$ 17,009,083	\$ 17,559,941		
(47) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0127	\$ 17,978,612	\$ 18,560,869		
(48)			\$ 59,978,606	\$ 61,921,076		
(49) Total Electric Generation						
(50) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0526	\$ 24,084,000	\$ 24,863,986		
(51) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0588	\$ 20,798,751	\$ 21,472,340		
(52) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0526	\$ 31,044,837	\$ 32,050,257		
(53) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0306	\$ 43,307,720	\$ 44,710,286		
(54)			\$ 119,235,308	\$ 123,096,869		
(55)						
(56) Total Revenue			\$ 288,886,000	\$ 298,241,877		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/96  
 Rate CAP**

Electric PA PUC No. 2 - Supplement No. 15

Electric PA PUC No. 3

Rate R		
(1)	Cap 1	
(2)	¢/kWh for first 500 kWh	6.31
(3)	¢/kWh for additional kWh	13.05
(4)	Cap 2	
(5)	¢/kWh for first 500 kWh	9.68
(6)	¢/kWh for additional kWh	13.05
(7)		
Rate RH		
(9)	Cap 1	
(10)	Winter	
(11)	¢/kWh for all kWh	6.31
(12)	Summer	
(13)	¢/kWh for first 500 kWh	6.31
(14)	¢/kWh for additional kWh	13.05
(15)	Cap 2	
(16)	Winter	
(17)	¢/kWh for first 500 kWh	10.50
(18)	¢/kWh for additional kWh	6.31
(19)	Summer	
(20)	¢/kWh for first 500 kWh	9.68
(21)	¢/kWh for additional kWh	13.05

					Trans.	Dist.	CTC	Energy	New Distr Pricing
Rate R									
(22)	Cap 1								
(23)	¢/kWh for first 500 kWh	0.27	2.21	1.39	2.44	2.03			
(24)	¢/kWh for additional kWh	0.55	4.57	2.88	5.05	4.19			
(25)	Cap 2								
(26)	¢/kWh for first 500 kWh	0.41	3.39	2.14	3.74	3.11			
(27)	¢/kWh for additional kWh	0.55	4.57	2.88	5.05	4.19			
(28)									
Rate RH									
(29)	Cap 1								
(30)	Winter								
(31)	Winter								
(32)	¢/kWh for all kWh	0.27	2.10	1.40	2.54	1.94			
(33)	Summer								
(34)	¢/kWh for first 500 kWh	0.27	2.10	1.40	2.54	1.94			
(35)	¢/kWh for additional kWh	0.55	4.35	2.89	5.26	4.02			
(36)	Cap 2								
(37)	Winter								
(38)	¢/kWh for first 500 kWh	0.41	3.22	2.97	3.90	2.97			
(39)	¢/kWh for additional kWh	0.27	2.10	1.40	2.54	1.94			
(40)	Summer								
(41)	¢/kWh for first 500 kWh	0.41	3.22	2.15	3.90	2.97			
(42)	¢/kWh for additional kWh	0.55	4.35	2.89	5.26	4.02			

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/96  
 Rate OP**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)×1.032	New Pricing For Distribution	New Distribution Revenue @ 0.90351
(12) Fixed Distribution Charge (13)	1,182,948 Bills	\$ 4.58	\$ 5,417,900	\$ 5,593,364		
(14) Transmission Charge (15)	375,823,000 kWh	\$ 0.0005	\$ 178,554	\$ 184,337		
(16) Variable Distribution Charge (17)	375,823,000 kWh	\$ 0.0365	\$ 13,704,643	\$ 14,148,483	\$ 0.0329	\$ 12,783,364
(18) Competitive Transition Charge (19)	375,823,000 kWh	\$ 0.0008	\$ 327,101	\$ 337,695		
(20) Electric Generation Charges (21)	375,823,000 kWh	\$ 0.0170	\$ 6,384,801	\$ 6,591,579		
(22) Total Revenue			\$ 26,013,000	\$ 26,855,458		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate GS**

Electric PA PUC No. 3

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)		<u>Revenue</u> (6)		<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.91096
(35) Fixed Distribution Charge									
(36) Single-Phase	1,847,446	Bills	\$ 8.67		\$ 16,017,355		\$ 16,536,094		
(37) Poly-Phase	657,007	Bills	\$ 23.45		\$ 15,406,804		\$ 15,905,770		
(38)					\$ 31,424,159		\$ 32,441,863		
(39) Transmission Charge									
(40) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0127		\$ 18,951,130		\$ 19,564,882		
(41) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0060		\$ 3,924,719		\$ 4,051,826		
(42) Additional Use-Except	3,696,417,044	kWh	\$ 0.0038		\$ 13,894,392		\$ 14,344,377		
(43) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0016		\$ 250,363		\$ 258,472		
(44) Space Heating	556,994,349	kWh	\$ 0.0030		\$ 1,646,781		\$ 1,700,114		
(45)					\$ 38,667,386		\$ 39,919,670		
(46) Variable Distribution Charge									
(47) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0358		\$ 53,526,647		\$ 55,260,164	\$ 0.0326	\$ 50,339,548
(48) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0168		\$ 11,085,200		\$ 11,444,206	\$ 0.0153	\$ 10,425,162
(49) Additional Use-Except	3,696,417,044	kWh	\$ 0.0106		\$ 39,244,109		\$ 40,515,071	\$ 0.0097	\$ 36,907,425
(50) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0047		\$ 707,141		\$ 730,042	\$ 0.0042	\$ 665,036
(51) Space Heating	556,994,349	kWh	\$ 0.0084		\$ 4,651,262		\$ 4,801,898	\$ 0.0076	\$ 4,374,315
(52)					\$ 109,214,359		\$ 112,751,381		\$ 102,711,486
(53) Competitive Transition Charge									
(54) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0693		\$ 103,406,113		\$ 106,755,029		
(55) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0332		\$ 21,832,684		\$ 22,539,758		
(56) Additional Use-Except	3,696,417,044	kWh	\$ 0.0213		\$ 78,927,256		\$ 81,483,398		
(57) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0100		\$ 1,524,269		\$ 1,573,634		
(58) Space Heating	556,994,349	kWh	\$ 0.0170		\$ 9,496,829		\$ 9,804,394		
(59)					\$ 215,187,150		\$ 222,156,213		
(60) Electric Generation Charge									
(61) First 80 Hours Use	1,493,455,009	kWh	\$ 0.1036		\$ 154,767,049		\$ 159,779,342		
(62) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0564		\$ 37,146,500		\$ 38,349,529		
(63) Additional Use-Except	3,696,417,044	kWh	\$ 0.0410		\$ 151,449,430		\$ 156,354,279		
(64) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0262		\$ 3,974,298		\$ 4,103,010		
(65) Space Heating	556,994,349	kWh	\$ 0.0353		\$ 19,685,668		\$ 20,323,209		
(66)					\$ 367,022,945		\$ 378,909,369		
(67)									
(68) Total Revenue					\$ 761,516,000		\$ 786,178,497		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/96  
 Off-Peak Thermal Storage Provision**

	<u>On-Peak</u>	New Distr Pricing	<u>Off-Peak</u>	New Distr Pricing
Transmission	0.25 ¢/kWh	1.98	0.16 ¢/kWh	1.28
Distribution	2.17 ¢/kWh		1.41 ¢/kWh	
CTC	1.32 ¢/kWh		0.87 ¢/kWh	
Market Energy	<u>2.63 ¢/kWh</u>		<u>1.71 ¢/kWh</u>	
Bundled	6.37 ¢/kWh		4.15 ¢/kWh	

**Night Service GS Rider**

		New Distr Pricing
Fixed Distribution Charge	\$ 8.97	0.43
Demand Charge	\$ 0.47 per kW	

**Rate GS Minimum Charge**

		New Distr Pricing
Variable Distribution	\$ 0.92 per kW	0.84
Transmission	\$ 0.33 per kW	
CTC	\$ 1.85 per kW	
Energy and Capacity	\$ 3.07 per kW	

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate PD**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u>	<u>Pricing</u>	<u>Revenue</u>	<u>Growth Ratio</u>	<u>New Pricing For</u>	<u>New Distribution</u>
	(4)	(5)=(6)/(4)	(6)	(7)=(6)x1.032	Distribution	Revenue @
						0.91689
(33) Fixed Distribution Charge	12,259 Bills	\$ 275.28	\$ 3,374,777	\$ 3,484,073		
(34)						
(35) Transmission Charge						
(36) Capacity Charge	2,814,280 kW	\$ 0.56	\$ 1,582,117	\$ 1,633,356		
(37) First 150 hrs use	435,697,564 kWh	\$ 0.0050	\$ 2,163,707	\$ 2,233,781		
(38) Next 150 hrs use	355,277,140 kWh	\$ 0.0029	\$ 1,043,154	\$ 1,076,938		
(39) Additional use	290,681,296 kWh	\$ 0.0009	\$ 272,267	\$ 281,085		
(40)			\$ 5,061,246	\$ 5,225,160		
(41) Variable Distribution Charge						
(42) Capacity Charge	2,814,280 kW	\$ 1.79	\$ 5,038,839	\$ 5,202,027	\$ 1.64	\$ 4,766,214
(43) First 150 hrs use	435,697,564 kWh	\$ 0.0158	\$ 6,891,128	\$ 7,114,305	\$ 0.0145	\$ 6,518,286
(44) Next 150 hrs use	355,277,140 kWh	\$ 0.0094	\$ 3,322,311	\$ 3,429,907	\$ 0.0086	\$ 3,142,558
(45) Additional use	290,681,296 kWh	\$ 0.0030	\$ 867,135	\$ 895,218	\$ 0.0027	\$ 820,219
(46)			\$ 16,119,413	\$ 16,641,457		\$ 15,247,277
(47) Competitive Transition Charge						
(48) Capacity Charge	2,814,280 kW	\$ 2.98	\$ 8,373,040	\$ 8,644,210		
(49) First 150 hrs use	435,697,564 kWh	\$ 0.0275	\$ 11,972,577	\$ 12,360,321		
(50) Next 150 hrs use	355,277,140 kWh	\$ 0.0167	\$ 5,945,998	\$ 6,138,565		
(51) Additional use	290,681,296 kWh	\$ 0.0062	\$ 1,788,903	\$ 1,846,838		
(52)			\$ 28,080,517	\$ 28,989,934		
(53) Night Service Rider						
(54) Fixed Distribution Charge	3,432 Bills	\$ 11.21	\$ 38,473	\$ 39,719		
(55) Demand Charge	16,617 kW	\$ 0.86	\$ 14,291	\$ 14,754	\$ 0.79	\$ 13,518
(56)			\$ 52,764	\$ 54,473		
(57) Electric Generation Charge						
(58) Capacity Charge	2,814,280 kW	\$ 3.92	\$ 11,038,098	\$ 11,395,578		
(59) First 150 hrs use	435,697,564 kWh	\$ 0.0494	\$ 21,540,239	\$ 22,237,843		
(60) Next 150 hrs use	355,277,140 kWh	\$ 0.0353	\$ 12,532,857	\$ 12,938,747		
(61) Additional use	290,681,296 kWh	\$ 0.0213	\$ 6,199,088	\$ 6,399,852		
(62)			\$ 51,310,283	\$ 52,972,020		
(63)						
(64) Total Revenue			\$ 103,999,000	\$ 107,367,117		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/96  
 Rate HT**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	<u>New Pricing For</u> Distribution	<u>New Distribution</u> Revenue @ 0.92535
(33) Fixed Distribution Charge	27,747 Bills	\$ 286.86	\$ 7,959,474	\$ 8,217,250		
(34)						
(35) Transmission Charge						
(36) Capacity Charge	24,898,251 kW	\$ 0.79	\$ 19,719,147	\$ 20,357,772		
(37) First 150 hrs use	2,130,931,747 kWh	\$ 0.0042	\$ 9,006,974	\$ 9,298,674		
(38) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0025	\$ 12,723,737	\$ 13,135,809		
(39) Additional use	6,232,767,691 kWh	\$ 0.0008	\$ 4,874,003	\$ 5,031,853		
(40)			\$ 46,323,861	\$ 47,824,108		
(41) Variable Distribution Charge						
(42) Capacity Charge	24,898,251 kW	\$ 1.66	\$ 41,228,329	\$ 42,563,551	\$ 1.53	\$ 39,386,383
(43) First 150 hrs use	2,130,931,747 kWh	\$ 0.0088	\$ 18,831,570	\$ 19,441,450	\$ 0.0082	\$ 17,990,237
(44) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0052	\$ 26,602,490	\$ 27,464,040	\$ 0.0048	\$ 25,413,979
(45) Additional use	6,232,767,691 kWh	\$ 0.0016	\$ 10,190,452	\$ 10,520,480	\$ 0.0015	\$ 9,735,176
(46)			\$ 96,852,840	\$ 99,989,521		\$ 92,525,776
(47) Competitive Transition Charge						
(48) Capacity Charge	24,898,251 kW	\$ 4.55	\$ 113,368,633	\$ 117,040,196		
(49) First 150 hrs use	2,130,931,747 kWh	\$ 0.0255	\$ 54,146,213	\$ 55,899,795		
(50) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0155	\$ 78,807,275	\$ 81,359,531		
(51) Additional use	6,232,767,691 kWh	\$ 0.0056	\$ 34,934,841	\$ 36,066,242		
(52)			\$ 281,256,961	\$ 290,365,764		
(53) Night Service Rider						
(54) Customer Charge	3,840 Bills	\$ 11.21	\$ 43,046	\$ 44,440		
(55) Demand Charge	525,737 kW	\$ 0.91	\$ 478,421	\$ 493,915	\$ 0.84	\$ 457,047
(56)			\$ 521,467	\$ 538,355		
(57) Electric Generation						
(58) Capacity Charge	24,898,251 kW	\$ 5.76	\$ 143,385,577	\$ 148,029,269		
(59) First 150 hrs use	2,130,931,747 kWh	\$ 0.0444	\$ 94,669,485	\$ 97,735,456		
(60) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0318	\$ 162,341,044	\$ 167,598,630		
(61) Additional use	6,232,767,691 kWh	\$ 0.0194	\$ 120,778,539	\$ 124,690,079		
(62)			\$ 521,174,645	\$ 538,053,434		
(63)						
(64) Base Revenue			\$ 954,089,249	\$ 984,988,433		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**

**Proof of Revenue - 12 Months Ending 12/31/96**

**Rate HT**

(37)	High Voltage Discount								
(38)	>66 kV			\$ (180)	\$ (186)			\$ (172)	
(39)	66 kV			\$ (8,983)	\$ (9,274)			\$ (8,582)	
(40)	33 kV			\$ (611,242)	\$ (631,038)			\$ (583,934)	
(41)				\$ (620,405)	\$ (640,497)			\$ (592,687)	
(42)	HT Auxiliary Service Rider								
(43)	Firm kW								
(44)	Transmission	314,340 kW	\$ 0.15	\$ 47,706	\$ 49,251				
(45)	Distribution	314,340 kW	\$ 0.33	\$ 103,727	\$ 107,086	\$	0.31	\$	99,093
(46)	Competitive Transition Charge	314,340 kW	\$ 0.86	\$ 270,332	\$ 279,087				
(47)	Electric Generation	314,340 kW	\$ 1.66	\$ 520,521	\$ 537,379				
(48)			\$ 3.00	\$ 942,287	\$ 972,804				
(49)									
(50)	Firm kWh								
(51)	Transmission	46,820,419 kWh	\$ 0.0040	\$ 185,460	\$ 191,466				
(52)	Distribution	46,820,419 kWh	\$ 0.0086	\$ 403,243	\$ 416,303	\$	0.0080	\$	385,228
(53)	Competitive Transition Charge	46,820,419 kWh	\$ 0.0225	\$ 1,053,782	\$ 1,087,910				
(54)	Electric Generation	46,820,419 kWh	\$ 0.0432	\$ 2,023,554	\$ 2,089,088				
(55)			\$ 0.0783	\$ 3,666,039	\$ 3,784,768				
(56)									
(57)	Interruptable kWh								
(58)	Transmission	35,721,342 kWh	\$ 0.0008	\$ 28,577	\$ 29,503				
(59)	Distribution	35,721,342 kWh	\$ 0.0016	\$ 57,154	\$ 59,005	\$	0.0015	\$	54,601
(60)	Competitive Transition Charge	35,721,342 kWh	\$ 0.0056	\$ 200,040	\$ 206,518				
(61)	Electric Generation	35,721,342 kWh	\$ 0.0194	\$ 692,994	\$ 715,437				
(62)			\$ 0.0274	\$ 978,765	\$ 1,010,463				
(63)									
(64)	Curtailment Rider			\$ (286,778)	\$ (296,086)				
(65)									
(66)	LILR								
(67)	Transmission	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,505,219				
(68)	Distribution	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,505,219	\$	0.0048	\$	3,243,571
(69)	Electric Generation			\$ 19,377,590	\$ 20,005,154				
(70)				\$ 26,168,110	\$ 27,015,592				
(71)									
(72)	Adjusted Base Revenue			\$ 984,937,266	\$ 1,016,835,496				

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate POL**

	Quantity	Monthly Bundled Charge	Annual Bundled Revenue	Monthly Unbundled Charges					Annual Unbundled Revenue					New Distr Revenue @ 0.93097
				Trans.	Dist.	CTC	Elec. Gen.	New Distr Pricing	Trans.	Dist.	CTC	Elec. Gen.	Total	
<b>Mercury Vapor</b>														
<b>Company Pole</b>														
4000 Lumens	527	\$12.72	\$80,441	\$0.08	\$11.18	\$0.03	\$1.45	\$ 10.18	\$ 379	\$ 70,892	\$ 175	\$ 9,195	\$ 80,441	\$ 65,813
8000 Lumens	270	\$17.27	\$55,955	\$0.09	\$15.15	\$0.05	\$1.97	\$ 13.77	\$ 292	\$ 49,084	\$ 174	\$ 8,398	\$ 55,955	\$ 45,705
12000 Lumens	378	\$21.30	\$98,617	\$0.11	\$18.67	\$0.08	\$2.43	\$ 16.97	\$ 499	\$ 84,700	\$ 375	\$ 11,043	\$ 98,617	\$ 78,853
20000 Lumens	984	\$27.48	\$324,484	\$0.14	\$24.10	\$0.10	\$3.14	\$ 21.90	\$ 1,653	\$ 284,521	\$ 1,221	\$ 37,089	\$ 324,484	\$ 264,881
22000 Lumens	41	\$29.72	\$14,822	\$0.16	\$28.08	\$0.11	\$3.40	\$ 23.68	\$ 79	\$ 12,819	\$ 53	\$ 1,671	\$ 14,622	\$ 11,934
<b>Customer Pole</b>														
4000 Lumens	346	\$11.45	\$47,540	\$0.08	\$10.01	\$0.07	\$1.31	\$ 9.10	\$ 249	\$ 41,582	\$ 298	\$ 5,434	\$ 47,540	\$ 38,693
8000 Lumens	141	\$16.05	\$27,157	\$0.09	\$14.03	\$0.10	\$1.83	\$ 12.75	\$ 152	\$ 23,739	\$ 162	\$ 3,104	\$ 27,157	\$ 22,100
12000 Lumens	226	\$20.21	\$54,810	\$0.11	\$17.67	\$0.12	\$2.31	\$ 16.08	\$ 298	\$ 47,921	\$ 325	\$ 6,265	\$ 54,810	\$ 44,613
20000 Lumens	988	\$26.05	\$302,597	\$0.14	\$22.78	\$0.15	\$2.98	\$ 20.71	\$ 1,826	\$ 264,612	\$ 1,771	\$ 34,587	\$ 302,597	\$ 246,347
22000 Lumens	11	\$28.29	\$3,734	\$0.16	\$24.74	\$0.16	\$3.23	\$ 22.49	\$ 21	\$ 3,266	\$ 21	\$ 427	\$ 3,734	\$ 3,040
<b>Sodium Vapor</b>														
<b>Company Pole</b>														
5800 Lumens	51	\$17.39	\$10,643	\$0.09	\$15.26	\$0.05	\$1.99	\$ 13.87	\$ 55	\$ 9,340	\$ 32	\$ 1,216	\$ 10,643	\$ 8,695
25000 Lumens	131	\$27.70	\$43,544	\$0.14	\$24.29	\$0.11	\$3.17	\$ 22.08	\$ 220	\$ 38,177	\$ 170	\$ 4,977	\$ 43,544	\$ 35,542
50000 Lumens	484	\$30.41	\$178,621	\$0.16	\$26.66	\$0.12	\$3.48	\$ 24.23	\$ 929	\$ 154,816	\$ 688	\$ 20,188	\$ 178,621	\$ 144,129
50000 Lumens	466	\$32.64	\$183,308	\$0.17	\$28.61	\$0.13	\$3.73	\$ 26.00	\$ 955	\$ 160,649	\$ 750	\$ 20,952	\$ 183,308	\$ 149,560
<b>Customer Pole</b>														
5800 Lumens	23	\$16.15	\$4,457	\$0.09	\$14.12	\$0.09	\$1.85	\$ 12.83	\$ 25	\$ 3,897	\$ 28	\$ 509	\$ 4,457	\$ 3,628
25000 Lumens	41	\$28.27	\$12,925	\$0.14	\$22.97	\$0.16	\$3.00	\$ 20.88	\$ 69	\$ 11,301	\$ 77	\$ 1,477	\$ 12,925	\$ 10,521
50000 Lumens	183	\$28.98	\$56,685	\$0.16	\$25.34	\$0.17	\$3.31	\$ 23.03	\$ 313	\$ 49,565	\$ 328	\$ 6,479	\$ 56,685	\$ 46,144
50000 Lumens	203	\$31.21	\$78,028	\$0.17	\$27.29	\$0.18	\$3.57	\$ 24.81	\$ 414	\$ 66,478	\$ 445	\$ 8,690	\$ 78,028	\$ 61,890
<b>Standard Metal Halide</b>														
<b>Company Pole</b>														
36000 Lumens	191	\$32.14	\$73,685	\$0.17	\$28.17	\$0.13	\$3.87	\$ 25.60	\$ 390	\$ 64,563	\$ 292	\$ 8,420	\$ 73,685	\$ 60,108
110000 Lumens	41	\$58.30	\$27,700	\$0.30	\$49.29	\$0.28	\$6.44	\$ 44.80	\$ 148	\$ 24,250	\$ 136	\$ 3,166	\$ 27,700	\$ 22,578
<b>Customer Pole</b>														
36000 Lumens	115	\$30.75	\$42,435	\$0.17	\$26.89	\$0.18	\$3.51	\$ 24.44	\$ 235	\$ 37,108	\$ 242	\$ 4,850	\$ 42,435	\$ 34,547
110000 Lumens	18	\$54.91	\$11,861	\$0.30	\$48.01	\$0.32	\$6.28	\$ 43.64	\$ 65	\$ 10,370	\$ 70	\$ 1,356	\$ 11,861	\$ 9,654
<b>Standard High Pressure Sodium Vapor</b>														
<b>Company Pole</b>														
5800 Lumens	18	\$19.55	\$4,223	\$0.10	\$17.18	\$0.06	\$2.23	\$ 15.80	\$ 22	\$ 3,708	\$ 12	\$ 483	\$ 4,223	\$ 3,450
9500 Lumens	11	\$20.87	\$2,728	\$0.11	\$18.14	\$0.06	\$2.36	\$ 16.49	\$ 15	\$ 2,394	\$ 8	\$ 312	\$ 2,728	\$ 2,229
18000 Lumens	9	\$22.59	\$2,440	\$0.12	\$18.82	\$0.07	\$2.58	\$ 18.01	\$ 13	\$ 2,140	\$ 7	\$ 279	\$ 2,440	\$ 1,993
25000 Lumens	72	\$28.54	\$22,931	\$0.14	\$23.27	\$0.10	\$3.03	\$ 21.15	\$ 121	\$ 20,104	\$ 85	\$ 2,821	\$ 22,931	\$ 18,716
50000 Lumens	203	\$32.20	\$78,439	\$0.17	\$28.22	\$0.13	\$3.68	\$ 25.65	\$ 414	\$ 68,739	\$ 320	\$ 8,966	\$ 78,439	\$ 63,994
<b>Customer Pole</b>														
5800 Lumens	2	\$18.18	\$436	\$0.10	\$15.88	\$0.10	\$2.08	\$ 14.43	\$ 2	\$ 381	\$ 3	\$ 50	\$ 436	\$ 355
9500 Lumens	7	\$19.28	\$1,620	\$0.11	\$16.86	\$0.11	\$2.20	\$ 15.33	\$ 9	\$ 1,416	\$ 9	\$ 185	\$ 1,620	\$ 1,318
18000 Lumens	2	\$21.20	\$509	\$0.12	\$18.54	\$0.12	\$2.42	\$ 16.85	\$ 3	\$ 445	\$ 3	\$ 58	\$ 509	\$ 414
25000 Lumens	23	\$25.14	\$6,039	\$0.14	\$21.98	\$0.15	\$2.87	\$ 19.98	\$ 39	\$ 6,066	\$ 40	\$ 793	\$ 6,938	\$ 5,648
50000 Lumens	34	\$30.80	\$12,586	\$0.17	\$26.93	\$0.18	\$3.52	\$ 24.48	\$ 69	\$ 10,987	\$ 73	\$ 1,436	\$ 12,586	\$ 10,228
	6,202		\$1,860,656						\$ 9,772	\$1,629,820	\$ 8,389	\$212,675	\$1,860,656	\$1,517,318
									\$10,089	\$1,882,603	\$ 8,660	\$219,563	\$1,920,915	\$1,568,458

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate SL-P**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.93085
(27) Facilities Charge						
(28) City Control	93,161	\$ 8.64	\$ 9,658,903	\$ 9,971,717	\$ 8.04	\$ 9,282,188
(29) Company Control - Aerial	-	\$ 9.24	\$ -	\$ -		
(30) Company Control - Underground	-	\$ 12.89	\$ -	\$ -		
(31)			\$ 9,658,903	\$ 9,971,717		
(32) Transmission Charge						
(33) Capacity Charge	179,516,200 W	\$ 0.0002	\$ 43,146	\$ 44,543		
(34) Energy Charge	88,803,000 kWh	\$ 0.0012	\$ 110,409	\$ 113,985		
(35)			\$ 153,555	\$ 158,528		
(36) Variable Distribution Chg.						
(37) Capacity Charge	179,516,200 W	\$ 0.0015	\$ 271,090	\$ 279,870	\$ 0.0014	\$ 260,517
(38) Energy Charge	88,803,000 kWh	\$ 0.0078	\$ 693,714	\$ 716,180	\$ 0.0073	\$ 666,657
(39)			\$ 964,804	\$ 996,050		\$ 927,175
(40) CTC Charge						
(41) Capacity Charge	179,516,200 W	\$ 0.0008	\$ 132,777	\$ 137,077		
(42) Energy Charge	88,803,000 kWh	\$ 0.0053	\$ 463,019	\$ 478,014		
(43)			\$ 595,796	\$ 615,091		
(44)						
(45) Outtage Allowance			\$ (8,616)	\$ (8,895)		
(46)						
(47) Electric Generation Charge						
(48) Capacity Charge	179,516,200 W	\$ 0.0012	\$ 217,197	\$ 224,231		
(49) Energy Charge	88,803,000 kWh	\$ 0.0241	\$ 2,142,893	\$ 2,212,293		
(50)			\$ 2,360,090	\$ 2,436,524		
(51)						
(52) Total Revenue			\$ 13,724,532	\$ 14,169,015		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate SL-S**

Billed Demand	Quantity	Annual Bundled Charge	Annual Bundled Revenue	Annual Unbundled Charges					Annual Unbundled Revenue													
				Trans.	Dist.	CTC	Elec. Gen.	New Distr Pricing	Trans.	Dist.	CTC	Elec. Gen.	Total	New Distr Revenue @ 0.93085								
<b>Incandescent</b>																						
320 Lumens	32 Watts	164	\$99.26	\$	16,279	\$1.57	\$74.27	\$7.08	\$16.34	\$67.50	\$	257	\$	12,180	\$	1,161	\$	2,680	\$	16,279	\$	11,338
600 Lumens	58 Watts	21	\$138.30	\$	2,904	\$2.18	\$103.49	\$9.86	\$22.77	\$94.06	\$	46	\$	2,173	\$	207	\$	478	\$	2,904	\$	2,023
1000 Lumens	103 Watts	1,532	\$194.00	\$	297,208	\$3.06	\$145.16	\$13.84	\$31.94	\$131.93	\$	4,688	\$	222,385	\$	21,202	\$	48,933	\$	297,208	\$	207,008
2500 Lumens	202 Watts	342	\$266.96	\$	91,300	\$4.22	\$199.76	\$19.03	\$43.95	\$181.55	\$	1,443	\$	68,318	\$	6,507	\$	15,032	\$	91,300	\$	63,594
6000 Lumens	448 Watts	39	\$304.58	\$	11,879	\$4.81	\$227.91	\$21.71	\$50.15	\$207.14	\$	188	\$	8,888	\$	847	\$	1,956	\$	11,879	\$	8,274
10000 Lumens	690 Watts	-	\$364.64	\$	-	\$5.76	\$272.85	\$25.99	\$60.04	\$253.98	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Mercury Vapor</b>																						
4000 Lumens	115 Watts	8,493	\$228.29	\$	1,938,867	\$3.60	\$170.82	\$16.28	\$37.59	\$155.25	\$	30,575	\$	1,450,774	\$	138,299	\$	319,219	\$	1,938,867	\$	1,350,455
8000 Lumens	191 Watts	4,692	\$241.10	\$	1,131,241	\$3.81	\$180.41	\$17.18	\$39.70	\$163.97	\$	17,877	\$	846,484	\$	80,631	\$	186,250	\$	1,131,241	\$	787,951
12000 Lumens	275 Watts	1,330	\$257.08	\$	341,916	\$4.06	\$192.36	\$18.33	\$42.33	\$174.83	\$	5,400	\$	255,839	\$	24,384	\$	56,294	\$	341,916	\$	238,148
20000 Lumens	429 Watts	2,086	\$301.99	\$	629,951	\$4.77	\$225.97	\$21.53	\$49.72	\$205.38	\$	9,950	\$	471,373	\$	44,911	\$	103,716	\$	629,951	\$	438,779
42000 Lumens	768 Watts	130	\$430.18	\$	55,923	\$6.79	\$321.89	\$30.67	\$70.83	\$292.55	\$	883	\$	41,846	\$	3,988	\$	9,207	\$	55,923	\$	38,952
59000 Lumens	1090 Watts	135	\$484.90	\$	65,462	\$7.66	\$362.83	\$34.58	\$79.83	\$329.76	\$	1,034	\$	48,982	\$	4,668	\$	10,778	\$	65,462	\$	45,595
<b>Sodium Vapor</b>																						
5800 Lumens	94 Watts	444	\$226.58	\$	100,602	\$3.58	\$169.54	\$16.16	\$37.30	\$154.09	\$	1,590	\$	75,276	\$	7,173	\$	16,563	\$	100,602	\$	70,071
9500 Lumens	131 Watts	563	\$246.35	\$	138,695	\$3.89	\$184.34	\$17.56	\$40.56	\$167.54	\$	2,190	\$	103,783	\$	9,887	\$	22,835	\$	138,695	\$	96,607
16000 Lumens	192 Watts	153	\$276.69	\$	42,334	\$4.37	\$207.04	\$19.73	\$45.55	\$188.17	\$	669	\$	31,677	\$	3,018	\$	6,970	\$	42,334	\$	29,487
25000 Lumens	294 Watts	647	\$314.35	\$	203,384	\$4.96	\$235.22	\$22.41	\$51.76	\$213.78	\$	3,209	\$	152,187	\$	14,502	\$	33,486	\$	203,384	\$	141,664
50000 Lumens	450 Watts	163	\$374.54	\$	61,050	\$5.91	\$280.26	\$26.71	\$61.66	\$254.72	\$	963	\$	45,682	\$	4,353	\$	10,051	\$	61,050	\$	42,524
<b>Total</b>			\$5,128,995			\$	80,961	\$	3,837,849	\$	365,738	\$	844,447	\$	5,128,995	\$	3,572,467					
						\$	83,583	\$	3,962,142	\$	377,583	\$	871,796	\$	5,295,103	\$	3,688,165					

**Electric PA PUC No. 10 - Supplement 10  
Rate SLE**

**Electric PA PUC No. 3 - Supplement 10**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.93085
(23) Service Location Charge - Trans.	831,508 Locations	\$ -	\$ -	\$ -		
(24) Service Location Charge - Dist	831,508 Locations	\$ 7.00	\$ 5,820,557	\$ 6,009,061	\$ 6.51	\$ 5,593,544
(25) Service Location Charge - CTC	831,508 Locations	\$ -	\$ -	\$ -		
(26) Transmission Charge			\$ 5,820,557	\$ 6,009,061		
(27) Capacity Charge	136,607,992 Watt	\$ 0.00055	\$ 75,496	\$ 77,941		
(28) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -		
(29) Variable Distribution Charge			\$ 75,496	\$ 77,941		
(30) Capacity Charge	136,607,992 Watt	\$ -	\$ -	\$ -		
(31) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -		
(32) Competitive Transition Charge			\$ -	\$ -		
(33) Capacity Charge	136,607,992 Watt	\$ 0.00059	\$ 80,630	\$ 83,241		
(34) Energy Charge	47,017,000 kWh	\$ 0.00373	\$ 175,338	\$ 181,017		
(35) Electric Generation Charge			\$ 255,968	\$ 264,258		
(36) Capacity Charge	136,607,992 Watt	\$ 0.00292	\$ 398,984	\$ 411,906		
(37) Energy Charge	47,017,000 kWh	\$ 0.03232	\$ 1,519,481	\$ 1,568,691		
(38) Total Revenue			\$ 1,918,465	\$ 1,980,596		
(39) Total Revenue			\$ 8,070,485	\$ 8,067,599		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revertue - 12 Months Ending 12/31/96  
 Rate TL**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.93085
(12) Transmission Charge	39,681,000 kWh	\$ 0.0058	\$ 230,171	\$ 237,626		
(13)						
(14) Variable Distribution Charge	39,681,000 kWh	\$ 0.0211	\$ 837,165	\$ 864,277	\$ 0.0196	\$ 804,514
(15)						
(16) Competitive Transition Charge	39,681,000 kWh	\$ 0.0323	\$ 1,280,968	\$ 1,322,454		
(17)						
(18) Unaccounted for			\$ 5,398	\$ 5,573		
(19)						
(20) Market Generation	39,681,000 kWh	\$ 0.0549	\$ 2,179,297	\$ 2,249,876		
(21)						
(22) Total Revenue			\$ 4,533,000	\$ 4,679,806		

**PECO ENERGY COMPANY**  
**Compliance to 2/5/98 Order at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/96**  
**Rate EP**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.92490
(21) Fixed Distribution Charge	465 Deliv. points	\$ 1,243.85	\$ 578,926	\$ 597,675		
(22)						
(23) Transmission Charge						
(24) Capacity Charge	1,770,350 kW	\$ 1.03	\$ 1,821,164	\$ 1,880,145		
(25) Energy Charge	638,800,000 kWh	\$ 0.0008	\$ 496,005	\$ 512,069		
(26)			\$ 2,317,169	\$ 2,392,213		
(27) Variable Distribution Charge						
(28) Capacity Charge	1,770,350 kW	\$ 2.98	\$ 5,283,838	\$ 5,454,961	\$ 2.76	\$ 5,045,277
(29) Energy Charge	638,800,000 kWh	\$ 0.0023	\$ 1,439,085	\$ 1,485,691	\$ 0.0021	\$ 1,374,111
(30)			\$ 6,722,923	\$ 6,940,652		\$ 6,419,388
(31) Competitive Transition Charge						
(32) Capacity Charge	1,770,350 kW	\$ 5.39	\$ 9,529,554	\$ 9,838,179		
(33) Energy Charge	638,800,000 kWh	\$ 0.0051	\$ 3,294,135	\$ 3,400,819		
(34)			\$ 12,823,689	\$ 13,238,998		
(35) Electric Generation Charge						
(36) Capacity Charge	1,770,350 kW	\$ 7.06	\$ 12,505,397	\$ 12,910,398		
(37) Energy Charge	638,800,000 kWh	\$ 0.0192	\$ 12,273,896	\$ 12,671,399		
(38)			\$ 24,779,293	\$ 25,581,796		
(39)						
(40) Total Revenue			\$ 47,222,000	\$ 48,751,334		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/96  
 Rate AL**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.032	New Pricing For Distribution	New Distribution Revenue @ 0.93085
(10) Transmission Charge	31,472 kWh	\$ 0.0007	\$ 22	\$ 23		
(11)						
(12) Variable Distribution Charge	31,472 kWh	\$ 0.1112	\$ 3,499	\$ 3,612	\$ 0.1035	\$ 3,362
(13)						
(14) CTC Charge	31,472 kWh	\$ 0.0007	\$ 22	\$ 23		
(15)						
(16) Market Generation	31,472 kWh	\$ 0.0145	\$ 457	\$ 472		
(17)						
(18) Total Revenues			\$ 4,000	\$ 4,130		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/96  
 Auxiliary Service Rider**

	Bundled	Trans.	Dist.	CTC	Energy	New Distr Pricing	
<b>FIRM BACK-UP POWER</b>							
Demand Charge (\$/kW)							
	\$3.00	\$ 0.15	\$ 0.33	\$ 0.86	\$ 1.66	\$ 0.31	(a)
Energy Charge (\$/kWh)							
High Tension Voltage	\$ 0.0783	\$ 0.0040	\$ 0.0086	\$ 0.0225	\$ 0.0432	\$ 0.0080	(a)
Primary Voltage	\$ 0.0988	\$ 0.0048	\$ 0.0186	\$ 0.0267	\$ 0.0487	\$ 0.0172	(a)
Secondary Voltage	\$ 0.1245	\$ 0.0063	\$ 0.0230	\$ 0.0352	\$ 0.0600	\$ 0.0210	(b)
<b>INTERRUPTIBLE BACK-UP POWER</b>							
Energy Charge (\$/kWh)							
High Tension Voltage	\$ 0.0274	\$ 0.0008	\$ 0.0016	\$ 0.0056	\$ 0.0194	\$ 0.0015	(a)
Primary Voltage	\$ 0.0314	\$ 0.0009	\$ 0.0030	\$ 0.0062	\$ 0.0213	\$ 0.0028	(a)
Secondary Voltage	\$ 0.0637	\$ 0.0030	\$ 0.0084	\$ 0.0170	\$ 0.0353	\$ 0.0077	(b)

- (a) Refer to Rate HT multiplier.
- (b) Refer to Rate GS multiplier.

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revertue - 12 Months Ending 12/31/96  
 Employment and Economic Recovery Rider**

	<b>Bundled (¢/kWh)</b>	<b>Tran (¢/kWh)</b>	<b>Dist (¢/kWh)</b>	<b>CTC (¢/kWh)</b>	<b>Energy (¢/kWh)</b>	<b>New Distr Pricing @ 0.92595</b>
<b>Existing Location</b>						
<b>Years</b>						
1-5	0.050	0.003	0.006	0.013	0.028	0.006
6	0.040	0.002	0.004	0.012	0.022	0.004
7	0.030	0.002	0.003	0.008	0.017	0.003
8	0.020	0.001	0.002	0.006	0.011	0.002
9	0.010	0.001	0.001	0.002	0.006	0.001
<b>New Service Location</b>						
<b>Years</b>						
1-5	1.000	0.051	0.110	0.287	0.552	0.102
6	0.800	0.041	0.088	0.229	0.442	0.081
7	0.600	0.030	0.066	0.173	0.331	0.061
8	0.400	0.020	0.044	0.115	0.221	0.041
9	0.200	0.010	0.022	0.058	0.110	0.020
<b>Accelerated</b>						
<b>Years</b>						
1-4	1.35	0.069	0.149	0.387	0.745	0.138

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/96  
 Seasonal Capacity Charge Service Rider**

	<u>Summer</u>	New Distr Pricing	<u>Winter</u>	New Distr Pricing
Transmission	\$1.49		\$0.37	
Distribution	\$3.14	\$2.91	\$0.79	\$ 0.73
CTC	\$8.57		\$2.14	
Market Energy	<u>\$10.87</u>		<u>\$2.72</u>	
Bundled	\$24.07		\$6.02	

**Cooling Thermal Storage HT Rider**

		New Distr Pricing
Billing and Metering Charge	\$ 11.21	
Off Peak Charge per kW off of peak billing demand per month	\$ 0.91	\$ 0.84

**2004 Unbundled Unit Rates (¢/kWh)**

			<u>Transmission</u> (2)	<u>Distribution</u> (3)	<u>Allocation of \$40,000,000</u>		<u>New</u> <u>Distribution</u> (3a)	<u>CTC</u> (4)	<u>Market Energy</u> (6)=1-2-3-4-5
					<u>Alloc</u> %	<u>\$ (40,000,000)</u> Allocation			
HT	14,775,821	6.90	0.35	0.76	12.83%	(0.03)	0.73	1.96	3.86
EP	664,764	7.34	0.36	1.14	0.86%	(0.05)	1.09	1.97	3.91
PD	1,125,620	9.53	0.47	1.80	2.31%	(0.08)	1.72	2.56	4.79
GS	6,864,846	11.52	0.59	2.14	16.70%	(0.10)	2.04	3.24	5.65
GS	6,823,552	11.52	0.59	2.14	16.60%	(0.10)	2.04	3.24	5.65
TL	41,294	11.33	0.58	2.10	0.10%	(0.10)	2.01	3.18	5.65
RH	2,930,943	10.10	0.40	3.49	11.62%	(0.16)	3.33	2.10	4.27
R	8,012,375	13.99	0.56	5.58	50.84%	(0.25)	5.33	2.92	5.18
R	8,012,293	13.99	0.56	5.58	50.84%	(0.25)	5.33	2.92	5.18
RT	82	12.43	0.50	4.96	0.00%	(0.23)	4.73	2.60	4.61
OP	391,098	6.69	0.05	5.08	2.26%	(0.23)	4.84	0.08	1.71
SLP	92,412	14.91	0.17	11.93	1.25%	(0.54)	11.39	0.68	2.67
SLS	17,595	29.30	0.48	22.64	0.45%	(1.03)	21.61	2.17	5.04
SLE	48,928	19.68	0.16	16.81	0.69%	(0.56)	16.25	0.52	4.10
OTHER	9,386	19.85	0.11	18.03	0.19%	(0.82)	17.21	0.14	2.38
POL	9,353	19.87	0.11	18.06	0.19%	(0.82)	17.24	0.14	2.39
AL	32	12.39	0.07	11.26	0.00%	(0.51)	10.75	0.08	1.49
TOTAL		9.84	0.45	2.52	100.00%	(0.11)	2.41	2.43	4.55

### 2004 Unbundled Revenue

	<u>Sales</u> (MWh)	<u>Total Rev</u> (1)	<u>Transmission</u> (2)	<u>Distribution</u> (3)	<u>Allocation of \$40,000,000</u>		<u>New</u> <u>Distribution</u> (3a)	<u>CTC</u> (4)	<u>Market Energy</u> (5)=1-2-3-4
					<u>Alloc</u> %	<u>\$ (40,000,000)</u> Allocation			
HT	14,775,821	1,019,840,059	52,012,344	113,089,780	12.83%	(5,130,896)	107,958,884	288,945,174	570,923,659
EP	664,764	48,796,595	2,411,351	7,598,633	0.86%	(344,751)	7,253,883	13,109,375	26,021,986
PD	1,125,620	107,303,162	5,266,961	20,341,443	2.31%	(922,894)	19,418,549	28,734,133	53,883,518
GS	6,864,846	790,505,519	40,478,555	147,225,982	16.70%	(6,679,660)	140,546,323	221,757,013	387,723,629
GS	6,823,552	785,827,801	40,239,028	146,354,791	16.60%	(6,640,133)	139,714,657	220,444,793	385,429,328
TL	41,294	4,677,718	239,527	871,191	0.10%	(39,526)	831,665	1,312,220	2,294,301
RH	2,930,943	295,980,862	11,706,484	102,423,239	11.62%	(4,646,954)	97,776,285	61,283,075	125,215,017
R	8,012,375	1,121,233,677	44,807,268	448,255,560	50.84%	(20,337,406)	427,918,155	233,121,902	415,386,352
R	8,012,293	1,121,223,456	44,806,860	448,251,474	50.84%	(20,337,220)	427,914,254	233,119,776	415,382,566
RT	82	10,221	408	4,086	0.00%	(185)	3,901	2,125	3,787
OP	391,098	26,167,447	185,812	19,899,782	2.26%	(902,855)	18,996,927	279,707	6,705,002
SLP	92,412	13,781,265	159,796	11,055,509	1.25%	(501,590)	10,553,919	600,101	2,467,448
SLS	17,595	5,156,268	84,274	3,993,844	0.45%	(181,201)	3,812,643	372,554	886,798
SLE	48,928	7,868,997	78,565	6,057,134	0.69%	(274,813)	5,782,321	254,701	2,008,112
OTHER	9,386	1,862,781	10,640	1,696,736	0.19%	(76,981)	1,619,755	8,565	223,821
POL	9,353	1,858,784	10,618	1,693,095	0.19%	(76,816)	1,616,279	8,547	223,341
AL	32	3,997	23	3,641	0.00%	(165)	3,476	18	480
TOTAL	34,933,789	3,438,496,632	157,202,049	881,637,642	100.00%	(40,000,000)	841,637,642	848,466,299	1,591,445,342
¢/kWh		9.84	0.45	2.52		(0.11)	2.41	2.43	4.55

**PECO Energy Company**  
**Development of Multipliers to Effect Distribution Rate Reductions**

	2002				2004			
	Existing Distribution (a)	\$ (60,000,000) Allocation	New Distribution (a)	Multiplier	Existing Distribution (a)	\$ (40,000,000) Allocation	New Distribution (a)	Multiplier
HT	\$ 103,105,706	\$ (7,696,354)	\$ 95,409,352	0.92535	\$ 104,761,996	\$ (5,130,896)	\$ 99,631,100	0.95102
EP	\$ 6,885,567	\$ (517,127)	\$ 6,368,440	0.92490	\$ 6,996,177	\$ (344,751)	\$ 6,651,426	0.95072
PD	\$ 16,524,019	\$ (1,384,342)	\$ 15,139,677	0.91622	\$ 16,789,461	\$ (922,894)	\$ 15,866,567	0.94503
GS	\$ 111,856,529	\$ (9,960,213)	\$ 101,896,316	0.91096	\$ 113,653,392	\$ (6,640,133)	\$ 107,013,259	0.94158
TL	\$ 857,418	\$ (59,289)	\$ 798,129	0.93085	\$ 871,191	\$ (39,526)	\$ 831,665	0.95463
RH	\$ 91,276,265	\$ (6,970,440)	\$ 84,305,825	0.92363	\$ 92,742,527	\$ (4,646,954)	\$ 88,095,573	0.94989
R	\$ 369,552,444	\$ (30,505,870)	\$ 339,046,574	0.91745	\$ 375,488,934	\$ (20,337,220)	\$ 355,151,714	0.94584
RT	\$ 2,528	\$ (278)	\$ 2,250	0.89001	\$ 2,569	\$ (185)	\$ 2,384	0.92783
OP	\$ 14,036,193	\$ (1,354,285)	\$ 12,681,908	0.90351	\$ 14,261,671	\$ (902,855)	\$ 13,358,815	0.93669
SLP	\$ 10,880,721	\$ (752,386)	\$ 10,128,336	0.93085	\$ 11,055,509	\$ (501,590)	\$ 10,553,919	0.95463
SLS	\$ 3,930,696	\$ (271,802)	\$ 3,658,894	0.93085	\$ 3,993,839	\$ (181,201)	\$ 3,812,638	0.95463
SLE	\$ 5,960,250	\$ (412,142)	\$ 5,548,108	0.93085	\$ 6,057,134	\$ (274,813)	\$ 5,782,321	0.95463
POL	\$ 1,669,249	\$ (115,224)	\$ 1,554,025	0.93097	\$ 1,696,064	\$ (76,816)	\$ 1,619,248	0.95471
AL	\$ 3,583	\$ (248)	\$ 3,336	0.93085	\$ 3,641	\$ (165)	\$ 3,476	0.95463
<b>TOTAL</b>		<b>\$ (60,000,000)</b>				<b>\$ (40,000,000)</b>		

(a) Excludes Customer Charges

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Rate R**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)		<u>Revenue</u> (6)		<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.94584
(25) Fixed Distribution Charge	13,709,923	Bills	\$ 5.10		\$ 69,920,607		\$ 72,762,540		
(26)									
(27) Transmission Service Charge									
(28) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0055		\$ 29,542,074		\$ 30,742,816		
(29) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0055		\$ 5,916,395		\$ 6,156,868		
(30) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0063		\$ 7,598,340		\$ 7,907,176		
(31)					\$ 43,056,810		\$ 44,806,860		
(32) Variable Distribution Charge									
(33) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0457		\$ 247,567,493		\$ 257,629,908	\$ 0.0432	\$ 243,676,165
(34) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0457		\$ 49,580,377		\$ 51,595,578	\$ 0.0432	\$ 48,801,060
(35) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0531		\$ 63,675,354		\$ 66,263,447	\$ 0.0502	\$ 62,674,489
(36)					\$ 360,823,223		\$ 375,488,934		\$ 355,151,714
(37) Competitive Transition Charge									
(38) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0284		\$ 153,918,428		\$ 160,174,464		
(39) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0284		\$ 30,825,265		\$ 32,078,162		
(40) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0329		\$ 39,377,647		\$ 40,978,157		
(41)					\$ 224,121,341		\$ 233,230,784		
(42) Electric Generation									
(43) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0509		\$ 275,746,306		\$ 286,954,053		
(44) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0509		\$ 55,223,752		\$ 57,468,329		
(45) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0568		\$ 68,091,962		\$ 70,859,569		
(46)					\$ 399,062,019		\$ 415,281,951		
(47)									
(48) Total Revenue					\$ 1,096,984,000		\$ 1,141,571,069		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate RT**

Electric PA PUC No. 3

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for New Distribution Distribution Revenue @ 0.92783
(29) Fixed Distribution Charge	143 bills	\$ 10.19	\$ 1,458	\$ 1,517	
(30)					
(31) Transmission Charge					
(32) Summer Off-peak kwh	32,901 kWh	\$ 0.0030	\$ 98	\$ 102	
(33) Summer On-peak kwh	8,067 kWh	\$ 0.0121	\$ 98	\$ 102	
(34) Winter Off-peak kwh	27,659 kWh	\$ 0.0030	\$ 82	\$ 86	
(35) Winter On-peak kwh	10,372 kWh	\$ 0.0111	\$ 115	\$ 120	
(36)			\$ 393	\$ 408	
(37) Variable Distribution Charge					
(38) Summer Off-peak kwh	32,901 kWh	\$ 0.0187	\$ 615	\$ 640	\$ 0.0173 \$ 594
(39) Summer On-peak kwh	8,067 kWh	\$ 0.0761	\$ 614	\$ 639	\$ 0.0706 \$ 592
(40) Winter Off-peak kwh	27,659 kWh	\$ 0.0187	\$ 517	\$ 538	\$ 0.0173 \$ 499
(41) Winter On-peak kwh	10,372 kWh	\$ 0.0698	\$ 724	\$ 753	\$ 0.0647 \$ 699
(42)			\$ 2,469	\$ 2,569	\$ 2,384
(43) Competitive Transition Charge					
(44) Summer Off-peak kwh	32,901 kWh	\$ 0.0159	\$ 525	\$ 546	
(45) Summer On-peak kwh	8,067 kWh	\$ 0.0611	\$ 494	\$ 514	
(46) Winter Off-peak kwh	27,659 kWh	\$ 0.0159	\$ 441	\$ 459	
(47) Winter On-peak kwh	10,372 kWh	\$ 0.0562	\$ 583	\$ 607	
(48)			\$ 2,043	\$ 2,126	
(49) Electric Generation					
(50) Summer Off-peak kwh	32,901 kWh	\$ 0.0334	\$ 1,099	\$ 1,143	
(51) Summer On-peak kwh	8,067 kWh	\$ 0.0912	\$ 735	\$ 765	
(52) Winter Off-peak kwh	27,659 kWh	\$ 0.0334	\$ 924	\$ 961	
(53) Winter On-peak kwh	10,372 kWh	\$ 0.0848	\$ 880	\$ 916	
(54)			\$ 3,637	\$ 3,785	
(55)					
(56) Total Revenue			\$ 10,000	\$ 10,406	

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate RH**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.94989
(29) Fixed Distribution Charge	1,824,041 bills	\$ 5.10	\$ 9,302,607	\$ 9,680,713		
(30)						
(31) Transmission Charge						
(32) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0055	\$ 2,513,424	\$ 2,615,582		
(33) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0064	\$ 2,259,924	\$ 2,351,779		
(34) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0055	\$ 3,239,862	\$ 3,371,547		
(35) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0023	\$ 3,236,047	\$ 3,367,576		
(36)			\$ 11,249,256	\$ 11,706,484		
(37) Variable Distribution Charge						
(38) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0435	\$ 19,912,151	\$ 20,721,483	\$ 0.0413	\$ 19,683,213
(39) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0506	\$ 17,903,842	\$ 18,631,546	\$ 0.0481	\$ 17,697,995
(40) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0435	\$ 25,667,227	\$ 26,710,475	\$ 0.0413	\$ 25,372,121
(41) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0181	\$ 25,637,002	\$ 26,679,022	\$ 0.0172	\$ 25,342,244
(42)			\$ 89,120,223	\$ 92,742,527		\$ 88,095,573
(43) Competitive Transition Charge						
(44) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0284	\$ 12,981,837	\$ 13,509,486		
(45) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0328	\$ 11,611,215	\$ 12,083,155		
(46) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0284	\$ 16,733,890	\$ 17,414,042		
(47) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0124	\$ 17,594,716	\$ 18,309,856		
(48)			\$ 58,921,659	\$ 61,316,538		
(49) Total Electric Generation						
(50) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0531	\$ 24,297,490	\$ 25,285,064		
(51) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0593	\$ 20,983,119	\$ 21,835,981		
(52) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0531	\$ 31,320,031	\$ 32,593,038		
(53) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0309	\$ 43,691,616	\$ 45,467,467		
(54)			\$ 120,292,255	\$ 125,181,550		
(55)						
(56) Total Revenue			\$ 288,886,000	\$ 300,627,812		



**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Rate OP**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.93669
(12) Fixed Distribution Charge	1,182,948 Bills	\$ 4.58	\$ 5,417,900	\$ 5,638,111		
(13)						
(14) Transmission Charge	375,823,000 kWh	\$ 0.0005	\$ 178,554	\$ 185,812		
(15)						
(16) Variable Distribution Charge	375,823,000 kWh	\$ 0.0365	\$ 13,704,643	\$ 14,261,671	\$ 0.0342	\$ 13,358,815
(17)						
(18) Competitive Transition Charge	375,823,000 kWh	\$ 0.0007	\$ 270,504	\$ 281,499		
(19)						
(20) Electric Generation Charges	375,823,000 kWh	\$ 0.0171	\$ 6,441,398	\$ 6,703,210		
(21)						
(22) Total Revenue			\$ 26,013,000	\$ 27,070,302		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate GS**

Electric PA PUC No. 3

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.94158
(35) Fixed Distribution Charge							
(36) Single-Phase	1,847,446	Bills	\$ 8.67	\$ 16,017,355	\$ 16,668,383		
(37) Poly-Phase	657,007	Bills	\$ 23.45	\$ 15,406,804	\$ 16,033,016		
(38)				\$ 31,424,159	\$ 32,701,398		
(39) Transmission Charge							
(40) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0127	\$ 18,951,130	\$ 19,721,402		
(41) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0060	\$ 3,924,719	\$ 4,084,240		
(42) Additional Use-Except	3,696,417,044	kWh	\$ 0.0038	\$ 13,894,392	\$ 14,459,132		
(43) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0016	\$ 250,363	\$ 260,540		
(44) Space Heating	556,994,349	kWh	\$ 0.0030	\$ 1,646,781	\$ 1,713,715		
(45)				\$ 38,667,386	\$ 40,239,028		
(46) Variable Distribution Charge							
(47) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0358	\$ 53,526,647	\$ 55,702,245	\$ 0.0337	\$ 52,447,874
(48) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0168	\$ 11,085,200	\$ 11,535,760	\$ 0.0159	\$ 10,861,790
(49) Additional Use-Except	3,696,417,044	kWh	\$ 0.0106	\$ 39,244,109	\$ 40,839,192	\$ 0.0100	\$ 38,453,186
(50) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0047	\$ 707,141	\$ 735,883	\$ 0.0044	\$ 692,889
(51) Space Heating	556,994,349	kWh	\$ 0.0084	\$ 4,651,262	\$ 4,840,313	\$ 0.0079	\$ 4,557,521
(52)				\$ 109,214,359	\$ 113,653,392		\$ 107,013,259
(53) Competitive Transition Charge							
(54) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0684	\$ 102,034,199	\$ 106,181,394		
(55) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0327	\$ 21,503,403	\$ 22,377,412		
(56) Additional Use-Except	3,696,417,044	kWh	\$ 0.0210	\$ 77,584,751	\$ 80,738,194		
(57) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0098	\$ 1,489,039	\$ 1,549,561		
(58) Space Heating	556,994,349	kWh	\$ 0.0166	\$ 9,322,328	\$ 9,701,235		
(59)				\$ 211,933,720	\$ 220,547,796		
(60) Electric Generation Charge							
(61) First 80 Hours Use	1,493,455,009	kWh	\$ 0.1045	\$ 156,138,962	\$ 162,485,253		
(62) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0569	\$ 37,475,781	\$ 38,998,989		
(63) Additional Use-Except	3,696,417,044	kWh	\$ 0.0413	\$ 152,791,935	\$ 159,002,184		
(64) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0264	\$ 4,009,528	\$ 4,172,495		
(65) Space Heating	556,994,349	kWh	\$ 0.0357	\$ 19,860,170	\$ 20,667,389		
(66)				\$ 370,276,375	\$ 385,326,311		
(67)							
(68) Total Revenue				\$ 761,516,000	\$ 792,467,925		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Off-Peak Thermal Storage Provision**

	<u>On-Peak</u>	<u>New Dist Pricing</u>	<u>Off-Peak</u>	<u>New Dist Pricing</u>
Transmission	0.25 ¢/kWh	2.04	0.16 ¢/kWh	1.33
Distribution	2.17 ¢/kWh		1.41 ¢/kWh	
CTC	1.30 ¢/kWh		0.85 ¢/kWh	
Market Energy	<u>2.65 ¢/kWh</u>		<u>1.73 ¢/kWh</u>	
Bundled	6.37 ¢/kWh		4.15 ¢/kWh	

**Night Service GS Rider**

		<u>New Dist Pricing</u>
Fixed Distribution Charge	\$ 8.97	
Demand Charge	\$ 0.47 per kW	\$ 0.44

**Rate GS Minimum Charge**

		<u>New Dist Pricing</u>
Variable Distribution	\$ 0.92 per kW	0.87
Transmission	\$ 0.33 per kW	
CTC	\$ 1.85 per kW	
Energy and Capacity	<u>\$ 3.07 per kW</u>	
	\$ 6.17	

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate PD**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.94503
(33) Fixed Distribution Charge	12,259 Bills	\$ 275.28	\$ 3,374,777	\$ 3,511,945		
(34)						
(35) Transmission Charge						
(36) Capacity Charge	2,814,280 kW	\$ 0.56	\$ 1,582,117	\$ 1,646,423		
(37) First 150 hrs use	435,697,564 kWh	\$ 0.0050	\$ 2,163,707	\$ 2,251,652		
(38) Next 150 hrs use	355,277,140 kWh	\$ 0.0029	\$ 1,043,154	\$ 1,085,553		
(39) Additional use	290,681,296 kWh	\$ 0.0009	\$ 272,267	\$ 283,333		
(40)			\$ 5,061,246	\$ 5,266,961		
(41) Variable Distribution Charge						
(42) Capacity Charge	2,814,280 kW	\$ 1.79	\$ 5,038,839	\$ 5,243,643	\$ 1.69	\$ 4,955,407
(43) First 150 hrs use	435,697,564 kWh	\$ 0.0158	\$ 6,891,128	\$ 7,171,219	\$ 0.0149	\$ 6,777,027
(44) Next 150 hrs use	355,277,140 kWh	\$ 0.0094	\$ 3,322,311	\$ 3,457,347	\$ 0.0088	\$ 3,267,301
(45) Additional use	290,681,296 kWh	\$ 0.0030	\$ 867,135	\$ 902,380	\$ 0.0028	\$ 852,778
(46)			\$ 16,119,413	\$ 16,774,589		\$ 15,852,513
(47) Competitive Transition Charge						
(48) Capacity Charge	2,814,280 kW	\$ 2.94	\$ 8,275,194	\$ 8,611,541		
(49) First 150 hrs use	435,697,564 kWh	\$ 0.0270	\$ 11,781,636	\$ 12,260,502		
(50) Next 150 hrs use	355,277,140 kWh	\$ 0.0164	\$ 5,834,902	\$ 6,072,062		
(51) Additional use	290,681,296 kWh	\$ 0.0060	\$ 1,733,951	\$ 1,804,428		
(52)			\$ 27,625,683	\$ 28,748,533		
(53) Night Service Rider						
(54) Fixed Distribution Charge	3,432 Bills	\$ 11.21	\$ 38,473	\$ 40,037		
(55) Demand Charge	16,617 kW	\$ 0.86	\$ 14,291	\$ 14,872	\$ 0.81	\$ 14,054
(56)			\$ 52,764	\$ 54,909		\$ 14,054
(57) Electric Generation Charge						
(58) Capacity Charge	2,814,280 kW	\$ 3.96	\$ 11,135,944	\$ 11,588,566		
(59) First 150 hrs use	435,697,564 kWh	\$ 0.0499	\$ 21,731,180	\$ 22,614,447		
(60) Next 150 hrs use	355,277,140 kWh	\$ 0.0356	\$ 12,643,953	\$ 13,157,869		
(61) Additional use	290,681,296 kWh	\$ 0.0215	\$ 6,254,039	\$ 6,508,235		
(62)			\$ 51,765,116	\$ 53,869,117		
(63)						
(64) Total Revenue			\$ 103,999,000	\$ 108,226,054		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate HT**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	<u>New Pricing for</u> <u>Distribution</u>	<u>New Distribution</u> <u>Revenue @</u> 0.95102
(33) Fixed Distribution Charge	27,747 Bills	\$ 286.86	\$ 7,959,474	\$ 8,282,988		
(34)						
(35) Transmission Charge						
(36) Capacity Charge	24,898,251 kW	\$ 0.79	\$ 19,719,147	\$ 20,520,634		
(37) First 150 hrs use	2,130,931,747 kWh	\$ 0.0042	\$ 9,006,974	\$ 9,373,064		
(38) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0025	\$ 12,723,737	\$ 13,240,895		
(39) Additional use	6,232,767,691 kWh	\$ 0.0008	\$ 4,874,003	\$ 5,072,108		
(40)			\$ 46,323,861	\$ 48,206,701		
(41) Variable Distribution Charge						
(42) Capacity Charge	24,898,251 kW	\$ 1.66	\$ 41,228,329	\$ 42,904,060	\$ 1.57	\$ 40,802,761
(43) First 150 hrs use	2,130,931,747 kWh	\$ 0.0088	\$ 18,831,570	\$ 19,596,982	\$ 0.0084	\$ 18,637,186
(44) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0052	\$ 26,602,490	\$ 27,683,752	\$ 0.0050	\$ 26,327,893
(45) Additional use	6,232,767,691 kWh	\$ 0.0016	\$ 10,190,452	\$ 10,604,644	\$ 0.0016	\$ 10,085,264
(46)			\$ 96,852,840	\$ 100,789,437		\$ 95,853,104
(47) Competitive Transition Charge						
(48) Capacity Charge	24,898,251 kW	\$ 4.50	\$ 112,097,609	\$ 116,853,832		
(49) First 150 hrs use	2,130,931,747 kWh	\$ 0.0251	\$ 53,307,027	\$ 55,473,698		
(50) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0152	\$ 77,368,222	\$ 80,512,865		
(51) Additional use	6,232,767,691 kWh	\$ 0.0055	\$ 33,864,214	\$ 35,240,630		
(52)			\$ 276,637,072	\$ 287,881,025		
(53) Night Service Rider						
(54) Customer Charge	3,840 Bills	\$ 11.21	\$ 43,046	\$ 44,796		
(55) Demand Charge	525,737 kW	\$ 0.91	\$ 478,421	\$ 497,866	\$ 0.87	\$ 473,483
(56)			\$ 521,467	\$ 542,662		\$ 473,483
(57) Electric Generation						
(58) Capacity Charge	24,898,251 kW	\$ 5.81	\$ 144,656,601	\$ 150,536,189		
(59) First 150 hrs use	2,130,931,747 kWh	\$ 0.0448	\$ 95,508,671	\$ 99,390,635		
(60) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0321	\$ 163,780,097	\$ 170,436,962		
(61) Additional use	6,232,767,691 kWh	\$ 0.0195	\$ 121,849,166	\$ 126,801,742		
(62)			\$ 525,794,535	\$ 547,165,527		
(63)						
(64) Base Revenue			\$ 954,089,249	\$ 992,868,340		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate HT**

(37)	High Voltage Discount								
(38)	>66 kV			\$ (180)	\$ (187)			\$ (178)	
(39)	66 kV			\$ (8,983)	\$ (9,348)			\$ (8,890)	
(40)	33 kV			\$ (611,242)	\$ (636,086)			\$ (604,933)	
(41)				\$ (620,405)	\$ (645,621)			\$ (614,001)	
(42)	HT Auxiliary Service Rider								
(43)	Firm kW								
(44)	Transmission	314,340 kW	\$ 0.15	\$ 47,706	\$ 49,645				
(45)	Distribution	314,340 kW	\$ 0.33	\$ 103,727	\$ 107,943	\$	0.31	\$	102,656
(46)	Competitive Transition Charge	314,340 kW	\$ 0.85	\$ 267,189	\$ 278,049				
(47)	Electric Generation	314,340 kW	\$ 1.67	\$ 525,135	\$ 546,480				
(48)			\$ 3.00	\$ 943,757	\$ 982,116				
(49)									
(50)	Firm kWh								
(51)	Transmission	46,820,419 kWh	\$ 0.0040	\$ 185,460	\$ 192,998				
(52)	Distribution	46,820,419 kWh	\$ 0.0086	\$ 403,243	\$ 419,633	\$	0.0082	\$	399,081
(53)	Competitive Transition Charge	46,820,419 kWh	\$ 0.0221	\$ 1,035,845	\$ 1,077,947				
(54)	Electric Generation	46,820,419 kWh	\$ 0.0436	\$ 2,041,491	\$ 2,124,468				
(55)			\$ 0.0783	\$ 3,666,039	\$ 3,815,046				
(56)									
(57)	Interruptable kWh								
(58)	Transmission	35,721,342 kWh	\$ 0.0008	\$ 28,577	\$ 29,739				
(59)	Distribution	35,721,342 kWh	\$ 0.0016	\$ 57,154	\$ 59,477	\$	0.0015	\$	56,564
(60)	Competitive Transition Charge	35,721,342 kWh	\$ 0.0055	\$ 196,467	\$ 204,453				
(61)	Electric Generation	35,721,342 kWh	\$ 0.0195	\$ 696,566	\$ 724,878				
(62)			\$ 0.0274	\$ 978,765	\$ 1,018,547				
(63)									
(64)	Curtailment Rider			\$ (286,778)	\$ (298,434)				
(65)									
(66)	LILR								
(67)	Transmission	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,533,261				
(68)	Distribution	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,533,261	\$	0.0049	\$	3,360,213
(69)	Electric Generation			\$ 19,377,590	\$ 20,165,195				
(70)				\$ 26,168,110	\$ 27,231,717				
(71)									
(72)	Adjusted Base Revenue			\$ 984,938,737	\$ 1,024,971,710				

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
Proof of Revenue - 12 Months Ending 12/31/04  
Rate POL**

	Quantity	Annual kWh	Monthly Bundled Charge	Annual Bundled Revenue	Monthly Unbundled Charges					Annual Unbundled Revenue					New Distribution Revenue @ 0.95471								
					Trans.	Dist.	CTC	Elec. Gen.	New Pricing for Distribution	Trans.	Dist.	CTC	Elec. Gen.	Total									
<b>Mercury Vapor</b>																							
<b>Company Pole</b>																							
4000 Lumens	527	3576	\$12.72	\$80,441	\$0.08	\$11.18	\$0.01	\$1.47	\$	10.28	\$	379	\$	70,892	\$	94	\$	9,276	\$	80,441	\$	67,481	
8000 Lumens	270	1836	\$17.27	\$55,955	\$0.09	\$15.15	\$0.04	\$1.99	\$	13.90	\$	292	\$	49,094	\$	117	\$	6,452	\$	55,955	\$	46,870	
12000 Lumens	378	2568	\$21.30	\$96,617	\$0.11	\$18.67	\$0.06	\$2.46	\$	17.13	\$	499	\$	84,700	\$	277	\$	11,141	\$	96,617	\$	80,864	
20000 Lumens	984	6864	\$27.48	\$324,484	\$0.14	\$24.10	\$0.08	\$3.17	\$	22.11	\$	1,653	\$	284,521	\$	892	\$	37,418	\$	324,484	\$	271,835	
22000 Lumens	41	276	\$29.72	\$14,622	\$0.16	\$28.08	\$0.08	\$3.43	\$	23.90	\$	79	\$	12,819	\$	38	\$	1,688	\$	14,622	\$	12,239	
<b>Customer Pole</b>																							
4000 Lumens	346	2352	\$11.45	\$47,540	\$0.08	\$10.01	\$0.06	\$1.32	\$	9.18	\$	249	\$	41,582	\$	248	\$	5,482	\$	47,540	\$	39,679	
8000 Lumens	141	960	\$16.05	\$27,157	\$0.09	\$14.03	\$0.08	\$1.85	\$	12.87	\$	152	\$	23,739	\$	134	\$	3,132	\$	27,157	\$	22,664	
12000 Lumens	228	1536	\$20.21	\$54,810	\$0.11	\$17.87	\$0.10	\$2.33	\$	16.21	\$	298	\$	47,921	\$	270	\$	6,320	\$	54,810	\$	45,751	
20000 Lumens	968	6576	\$28.05	\$302,597	\$0.14	\$22.78	\$0.13	\$3.00	\$	20.90	\$	1,626	\$	264,612	\$	1,464	\$	34,894	\$	302,597	\$	252,628	
22000 Lumens	11	72	\$28.29	\$3,734	\$0.16	\$24.74	\$0.13	\$3.26	\$	22.70	\$	21	\$	3,266	\$	17	\$	431	\$	3,734	\$	3,118	
<b>Sodium Vapor</b>																							
<b>Company Pole</b>																							
5800 Lumens	51	348	\$17.39	\$10,643	\$0.09	\$15.26	\$0.03	\$2.01	\$	14.00	\$	55	\$	8,340	\$	21	\$	1,227	\$	10,643	\$	8,917	
25000 Lumens	131	888	\$27.70	\$43,544	\$0.14	\$24.29	\$0.08	\$3.19	\$	22.28	\$	220	\$	38,177	\$	126	\$	5,021	\$	43,544	\$	36,448	
50000 Lumens	484	3288	\$30.41	\$176,621	\$0.16	\$28.66	\$0.09	\$3.51	\$	24.45	\$	929	\$	154,816	\$	509	\$	20,367	\$	176,621	\$	147,804	
50000 Lumens	468	3180	\$32.64	\$183,306	\$0.17	\$28.61	\$0.10	\$3.76	\$	26.24	\$	955	\$	160,649	\$	565	\$	21,138	\$	183,306	\$	153,373	
<b>Customer Pole</b>																							
5800 Lumens	23	156	\$16.15	\$4,457	\$0.08	\$14.12	\$0.08	\$1.86	\$	12.95	\$	25	\$	3,897	\$	21	\$	514	\$	4,457	\$	3,721	
25000 Lumens	41	276	\$28.27	\$12,925	\$0.14	\$22.97	\$0.13	\$3.03	\$	21.07	\$	69	\$	11,301	\$	64	\$	1,490	\$	12,925	\$	10,789	
50000 Lumens	163	1104	\$28.98	\$56,685	\$0.16	\$25.34	\$0.14	\$3.34	\$	23.25	\$	313	\$	49,565	\$	270	\$	6,537	\$	56,685	\$	47,320	
50000 Lumens	203	1380	\$31.21	\$76,028	\$0.17	\$27.29	\$0.15	\$3.60	\$	25.04	\$	414	\$	68,478	\$	368	\$	8,767	\$	76,028	\$	63,468	
<b>Standard Metal Halide</b>																							
<b>Company Pole</b>																							
36000 Lumens	191	1296	\$32.14	\$73,685	\$0.17	\$28.17	\$0.09	\$3.71	\$	25.84	\$	390	\$	84,563	\$	218	\$	8,495	\$	73,685	\$	61,639	
110000 Lumens	41	276	\$58.30	\$27,700	\$0.30	\$49.29	\$0.22	\$6.49	\$	45.22	\$	148	\$	24,250	\$	108	\$	3,194	\$	27,700	\$	23,152	
<b>Customer Pole</b>																							
36000 Lumens	115	760	\$30.75	\$42,435	\$0.17	\$26.89	\$0.14	\$3.55	\$	24.67	\$	235	\$	37,108	\$	199	\$	4,893	\$	42,435	\$	35,428	
110000 Lumens	18	120	\$54.91	\$11,861	\$0.30	\$48.01	\$0.27	\$6.33	\$	44.05	\$	65	\$	10,370	\$	58	\$	1,368	\$	11,861	\$	9,900	
<b>Standard High Pressure Sodium Vapor</b>																							
<b>Company Pole</b>																							
5800 Lumens	18	120	\$19.55	\$4,223	\$0.10	\$17.16	\$0.04	\$2.25	\$	15.74	\$	22	\$	3,708	\$	8	\$	467	\$	4,223	\$	3,538	
9500 Lumens	11	72	\$20.67	\$2,728	\$0.11	\$18.14	\$0.04	\$2.38	\$	16.84	\$	15	\$	2,394	\$	5	\$	315	\$	2,728	\$	2,286	
16000 Lumens	9	60	\$22.59	\$2,440	\$0.12	\$19.82	\$0.05	\$2.60	\$	18.18	\$	13	\$	2,140	\$	5	\$	281	\$	2,440	\$	2,043	
25000 Lumens	72	492	\$26.54	\$22,931	\$0.14	\$23.27	\$0.07	\$3.08	\$	21.35	\$	121	\$	20,104	\$	62	\$	2,844	\$	22,931	\$	19,193	
50000 Lumens	203	1380	\$32.20	\$78,439	\$0.17	\$28.22	\$0.10	\$3.71	\$	25.89	\$	414	\$	68,739	\$	241	\$	9,045	\$	78,439	\$	65,626	
<b>Customer Pole</b>																							
5800 Lumens	2	12	\$18.16	\$436	\$0.10	\$15.88	\$0.09	\$2.09	\$	14.57	\$	2	\$	381	\$	2	\$	50	\$	436	\$	364	
9500 Lumens	7	48	\$19.28	\$1,620	\$0.11	\$16.86	\$0.09	\$2.22	\$	15.47	\$	9	\$	1,418	\$	7	\$	187	\$	1,620	\$	1,352	
16000 Lumens	2	12	\$21.20	\$509	\$0.12	\$18.54	\$0.10	\$2.44	\$	17.01	\$	3	\$	445	\$	2	\$	59	\$	509	\$	425	
25000 Lumens	23	156	\$25.14	\$6,939	\$0.14	\$21.98	\$0.12	\$2.90	\$	20.16	\$	39	\$	6,068	\$	33	\$	800	\$	6,939	\$	5,792	
50000 Lumens	34	228	\$30.80	\$12,566	\$0.17	\$26.93	\$0.15	\$3.55	\$	24.71	\$	69	\$	10,987	\$	61	\$	1,449	\$	12,566	\$	10,490	
	6,202			\$1,860,656								\$	9,772	\$	1,629,820	\$	6,503	\$	214,560	\$	1,860,656	\$	1,558,004
												\$	10,169	\$	1,666,064	\$	6,768	\$	223,281	\$	1,936,262	\$	1,618,248

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate SL-P**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.95463
(27) Facilities Charge						
(28) City Control	93,161	\$ 8.64	\$ 9,658,903	\$ 10,051,490	\$ 8.25	\$ 9,595,453
(29) Company Control - Aerial	-	\$ 9.24	\$ -	\$ -		
(30) Company Control - Underground	-	\$ 12.89	\$ -	\$ -		
(31)			\$ 9,658,903	\$ 10,051,490		
(32) Transmission Charge						
(33) Capacity Charge	179,516,200 W	\$ 0.0002	\$ 43,146	\$ 44,900		
(34) Energy Charge	88,803,000 kWh	\$ 0.0012	\$ 110,409	\$ 114,897		
(35)			\$ 153,555	\$ 159,796		
(36) Variable Distribution Chg.						
(37) Capacity Charge	179,516,200 W	\$ 0.0015	\$ 271,090	\$ 282,109	\$ 0.0014	\$ 269,309
(38) Energy Charge	88,803,000 kWh	\$ 0.0078	\$ 693,714	\$ 721,910	\$ 0.0075	\$ 689,157
(39)			\$ 964,804	\$ 1,004,018		\$ 958,466
(40) CTC Charge						
(41) Capacity Charge	179,516,200 W	\$ 0.0008	\$ 130,852	\$ 136,170		
(42) Energy Charge	88,803,000 kWh	\$ 0.0051	\$ 444,019	\$ 462,067		
(43)			\$ 574,871	\$ 598,237		
(44)						
(45) Outtage Allowance			\$ (8,616)	\$ (8,966)		
(46)						
(47) Electric Generation Charge						
(48) Capacity Charge	179,516,200 W	\$ 0.0012	\$ 219,122	\$ 228,029		
(49) Energy Charge	88,803,000 kWh	\$ 0.0243	\$ 2,161,893	\$ 2,249,763		
(50)			\$ 2,381,015	\$ 2,477,792		
(51)						
(52) Total Revenue			\$ 13,724,532	\$ 14,282,368		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Rate SL-S**

Billed Demand	Quantity	Annual Bundled Charge	Annual Bundled Revenue	Annual Unbundled Charges					Annual Unbundled Revenue					New Distribution Revenue @ 0.95463									
				Trans.	Dist.	CTC	Elec. Gen.	New Pricing For Distribution	Trans.	Dist.	CTC	Elec. Gen.	Total										
<b>Incandescent</b>																							
320 Lumens	32 Watts	164	\$99.26	\$	16,279	\$1.57	\$74.27	\$6.93	\$16.49	\$	68.13	\$	257	\$	12,180	\$	1,137	\$	2,704	\$	16,279	\$	11,628
600 Lumens	58 Watts	21	#####	\$	2,904	\$2.18	\$103.49	\$9.66	\$22.97	\$	94.94	\$	46	\$	2,173	\$	203	\$	482	\$	2,904	\$	2,075
1000 Lumens	103 Watts	1,532	#####	\$	297,208	\$3.06	\$145.16	\$13.56	\$32.22	\$	133.16	\$	4,688	\$	222,385	\$	20,768	\$	49,367	\$	297,208	\$	212,295
2500 Lumens	202 Watts	342	#####	\$	91,300	\$4.22	\$199.76	\$18.64	\$44.34	\$	183.25	\$	1,443	\$	68,318	\$	6,374	\$	15,165	\$	91,300	\$	65,218
6000 Lumens	448 Watts	39	#####	\$	11,879	\$4.81	\$227.91	\$21.27	\$50.59	\$	209.07	\$	188	\$	8,888	\$	829	\$	1,973	\$	11,879	\$	8,485
10000 Lumens	690 Watts	-	#####	\$	-	\$5.76	\$272.85	\$25.46	\$60.57	\$	260.47	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
<b>Mercury Vapor</b>																							
4000 Lumens	115 Watts	8,493	#####	#####	\$3.60	\$170.82	\$15.95	\$37.92	\$	156.70	\$	30,575	#####	\$	135,470	\$	322,048	#####	\$	1,384,952			
8000 Lumens	191 Watts	4,692	#####	#####	\$3.81	\$180.41	\$16.83	\$40.05	\$	165.50	\$	17,877	\$	846,484	\$	78,980	\$	187,901	#####	\$	808,079		
12000 Lumens	275 Watts	1,330	#####	\$	341,916	\$4.06	\$192.36	\$17.96	\$42.70	\$	176.46	\$	5,400	\$	255,839	\$	23,885	\$	56,793	\$	341,916	\$	244,231
20000 Lumens	429 Watts	2,086	#####	\$	629,951	\$4.77	\$225.97	\$21.09	\$50.16	\$	207.29	\$	9,950	\$	471,373	\$	43,992	\$	104,636	\$	629,951	\$	449,987
42000 Lumens	768 Watts	130	#####	\$	55,923	\$6.79	\$321.89	\$30.05	\$71.45	\$	295.28	\$	883	\$	41,846	\$	3,906	\$	9,289	\$	55,923	\$	39,947
59000 Lumens	1090 Watts	135	#####	\$	65,462	\$7.66	\$362.83	\$33.87	\$80.54	\$	332.84	\$	1,034	\$	46,982	\$	4,572	\$	10,873	\$	65,462	\$	46,760
<b>Sodium Vapor</b>																							
5800 Lumens	94 Watts	444	#####	\$	100,602	\$3.58	\$169.54	\$15.82	\$37.64	\$	155.53	\$	1,590	\$	75,276	\$	7,026	\$	16,710	\$	100,602	\$	71,860
9500 Lumens	131 Watts	563	#####	\$	138,695	\$3.89	\$184.34	\$17.20	\$40.92	\$	169.10	\$	2,190	\$	103,783	\$	9,684	\$	23,037	\$	138,695	\$	99,075
16000 Lumens	192 Watts	153	#####	\$	42,334	\$4.37	\$207.04	\$19.32	\$45.96	\$	189.93	\$	669	\$	31,677	\$	2,956	\$	7,032	\$	42,334	\$	30,240
25000 Lumens	294 Watts	647	#####	\$	203,384	\$4.96	\$235.22	\$21.96	\$52.21	\$	215.78	\$	3,209	\$	152,187	\$	14,206	\$	33,782	\$	203,384	\$	145,283
50000 Lumens	450 Watts	163	#####	\$	61,050	\$5.91	\$280.26	\$26.16	\$62.21	\$	267.54	\$	963	\$	45,682	\$	4,264	\$	10,140	\$	61,050	\$	43,610
<b>Total</b>			#####			\$	80,961	#####	\$	358,252	\$	851,933	#####	\$	3,663,725								
						\$	84,251	#####	\$	372,814	\$	886,560	#####	\$	3,812,638								

**Joint Petition for approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973956**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate SLE**

**Electric PA PUC No. 3 - Supplement 10**

	<u>Billing Determinants</u>	<u>Pricing</u>	<u>Revenue</u>	<u>Growth Ratio</u>	New Pricing for	New Distribution
	(4)	(5)=(6)/(4)	(6)	(7)=(6)x1.041	Distribution	Revenue @ 0.95463
(23) Service Location Charge - Trans.	831,508 Locations	\$ -	\$ -	\$ -		
(24) Service Location Charge - Dist	831,508 Locations	\$ 7.00	\$ 5,820,557	\$ 6,057,134	\$ 6.68	\$ 5,782,321
(25) Service Location Charge - CTC	831,508 Locations	\$ -	\$ -	\$ -		
(26)			\$ 5,820,557	\$ 6,057,134		
(27) Transmission Charge						
(28) Capacity Charge	136,607,992 Watt	\$ 0.00055	\$ 75,496	\$ 78,565		
(29) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -		
(30)			\$ 75,496	\$ 78,565		
(31) Variable Distribution Charge						
(32) Capacity Charge	136,607,992 Watt	\$ -	\$ -	\$ -		
(33) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -		
(34)			\$ -	\$ -		
(35) Competitive Transition Charge						
(36) Capacity Charge	136,607,992 Watt	\$ 0.00056	\$ 77,097	\$ 80,231		
(37) Energy Charge	47,017,000 kWh	\$ 0.00357	\$ 167,656	\$ 174,470		
(38)			\$ 244,753	\$ 254,701		
(39) Electric Generation Charge						
(40) Capacity Charge	136,607,992 Watt	\$ 0.00295	\$ 402,521	\$ 418,882		
(41) Energy Charge	47,017,000 kWh	\$ 0.03248	\$ 1,527,159	\$ 1,589,230		
(42)			\$ 1,929,680	\$ 2,008,112		
(43)						
(44) Total Revenue			\$ 8,070,485	\$ 8,143,810		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Rate TL**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.95463
(12) Transmission Charge	39,681,000 kWh	\$ 0.0058	\$ 230,171	\$ 239,527		
(13)						
(14) Variable Distribution Charge	39,681,000 kWh	\$ 0.0211	\$ 837,165	\$ 871,191	\$ 0.0201	\$ 831,665
(15)						
(16) Competitive Transition Charge	39,681,000 kWh	\$ 0.0318	\$ 1,261,650	\$ 1,312,930		
(17)						
(18) Unaccounted for			\$ 5,398	\$ 5,617		
(19)						
(20) Market Generation	39,681,000 kWh	\$ 0.0554	\$ 2,198,616	\$ 2,287,979		
(21)						
(22) Total Revenue			\$ 4,533,000	\$ 4,717,244		

**PECO ENERGY COMPANY**  
**Compliance to 2/5/98 Order at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate EP**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.95072
(21) Fixed Distribution Charge	465 Deliv. points	\$ 1,243.85	\$ 578,926	\$ 602,457		
(22)						
(23) Transmission Charge						
(24) Capacity Charge	1,770,350 kW	\$ 1.03	\$ 1,821,164	\$ 1,895,186		
(25) Energy Charge	638,800,000 kWh	\$ 0.0008	\$ 496,005	\$ 516,165		
(26)			\$ 2,317,169	\$ 2,411,351		
(27) Variable Distribution Charge						
(28) Capacity Charge	1,770,350 kW	\$ 2.98	\$ 5,283,838	\$ 5,498,600	\$ 2.84	\$ 5,227,646
(29) Energy Charge	638,800,000 kWh	\$ 0.0023	\$ 1,439,085	\$ 1,497,576	\$ 0.0021	\$ 1,423,780
(30)			\$ 6,722,923	\$ 6,996,177		\$ 6,651,426
(31) Competitive Transition Charge						
(32) Capacity Charge	1,770,350 kW	\$ 5.32	\$ 9,418,702	\$ 9,801,526		
(33) Energy Charge	638,800,000 kWh	\$ 0.0049	\$ 3,185,334	\$ 3,314,803		
(34)			\$ 12,604,036	\$ 13,116,329		
(35) Electric Generation Charge						
(36) Capacity Charge	1,770,350 kW	\$ 7.13	\$ 12,616,250	\$ 13,129,039		
(37) Energy Charge	638,800,000 kWh	\$ 0.0194	\$ 12,382,696	\$ 12,885,993		
(38)			\$ 24,998,946	\$ 26,015,032		
(39)						
(40) Total Revenue			\$ 47,222,000	\$ 49,141,345		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953**  
**Proof of Revenue - 12 Months Ending 12/31/04**  
**Rate AL**

	<u>Billing Determinants</u> (4)	<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	<u>New Pricing for</u> Distribution	<u>New Distribution</u> Revenue @ 0.95463
(10) Transmission Charge	31,472 kWh	\$ 0.0007	\$ 22	\$ 23		
(11)						
(12) Variable Distribution Charge	31,472 kWh	\$ 0.1112	\$ 3,499	\$ 3,641	\$ 0.1061	\$ 3,476
(13)						
(14) CTC Charge	31,472 kWh	\$ 0.0005	\$ 18	\$ 19		
(15)						
(16) Market Generation	31,472 kWh	\$ 0.0147	\$ 461	\$ 480		
(17)						
(18) Total Revenues			\$ 4,000	\$ 4,163		

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Auxiliary Service Rider**

	Bundled	Trans.	Dist.	CTC	Energy	New Dist Pricing	
<b>FIRM BACK-UP POWER</b>							
Demand Charge (\$/kW)							
All Customers	\$3.00	\$ 0.15	\$ 0.33	\$ 0.85	\$ 1.67	\$ 0.31	(a)
<b>Energy Charge (\$/kWh)</b>							
High Tension Voltage	\$ 0.0783	\$ 0.0040	\$ 0.0086	\$ 0.0221	\$ 0.0436	\$ 0.0082	(a)
Primary Voltage	\$ 0.0988	\$ 0.0048	\$ 0.0186	\$ 0.0262	\$ 0.0492	\$ 0.0177	(a)
Secondary Voltage	\$ 0.1245	\$ 0.0063	\$ 0.0230	\$ 0.0346	\$ 0.0606	\$ 0.0217	(b)
<b>INTERRUPTIBLE BACK-UP POWER</b>							
<b>Energy Charge (\$/kWh)</b>							
High Tension Voltage	\$ 0.0274	\$ 0.0008	\$ 0.0016	\$ 0.0055	\$ 0.0195	\$ 0.0015	(a)
Primary Voltage	\$ 0.0314	\$ 0.0009	\$ 0.0030	\$ 0.0060	\$ 0.0215	\$ 0.0029	(a)
Secondary Voltage	\$ 0.0637	\$ 0.0030	\$ 0.0084	\$ 0.0166	\$ 0.0357	\$ 0.0079	(b)

(a) refer to Rate HT multiplier  
 (b) refer to Rate GS multiplier

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Employment and Economic Recovery Rider**

	<b>Bundled (¢/kWh)</b>	<b>Tran (¢/kWh)</b>	<b>Dist (¢/kWh)</b>	<b>CTC (¢/kWh)</b>	<b>Energy (¢/kWh)</b>	<b>New Dist Pricing @ 0.95102</b>
<b>Existing Location</b>						
Years						
1-5	0.050	0.003	0.006	0.013	0.028	0.0057
6	0.040	0.002	0.004	0.012	0.022	0.0038
7	0.030	0.002	0.003	0.008	0.017	0.0029
8	0.020	0.001	0.002	0.006	0.011	0.0019
9	0.010	0.001	0.001	0.002	0.006	0.0010
<b>New Service Location</b>						
Years						
1-5	1.000	0.051	0.110	0.282	0.557	0.1046
6	0.800	0.041	0.088	0.226	0.445	0.0837
7	0.600	0.030	0.066	0.170	0.334	0.0628
8	0.400	0.020	0.044	0.113	0.223	0.0418
9	0.200	0.010	0.022	0.057	0.111	0.0209
<b>Accelerated</b>						
Years						
1-4	1.35	0.069	0.149	0.380	0.752	0.1417

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Seasonal Capacity Charge Service Rider**

	<u>Summer</u>	<u>New Dist Pricing</u>	<u>Winter</u>	<u>New Dist Pricing</u>
Transmission	\$1.49		\$0.37	
Distribution	\$3.14	\$ 2.99	\$0.79	\$ 0.75
CTC	\$8.48		\$2.12	
Market Energy	<u>\$10.96</u>		<u>\$2.74</u>	
Bundled	\$24.07		\$6.02	

**Cooling Thermal Storage HT Rider**

		<u>New Dist Pricing</u>
Billing and Metering Charge	\$ 11.21	
Off Peak Charge per kW of off-peak billing demand per month	\$ 0.91	\$ 0.87

**Joint Petition for Approval of Full Settlement of PECO Energy's Restructuring Case at Docket No. R-00973953  
 Proof of Revenue - 12 Months Ending 12/31/04  
 Suburban Street Lighting Rider**

**Electric PA PUC No. 3**

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)		<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.041	New Pricing for Distribution	New Distribution Revenue @ 0.95463
(23) Service Location Charge - Trans.	831,508	Locations	\$ 0.09		\$ 75,496	\$ 78,564		
(24) Service Location Charge - Dist	831,508	Locations	\$ 9.53		\$ 7,922,340	\$ 8,244,345	\$ 9.10	\$ 7,870,298
(25) Service Location Charge - CTC	831,508	Locations	\$ 0.29		\$ 244,753	\$ 254,701		
(26)					\$ 8,242,589	\$ 8,577,610		
(27) Transmission Charge								
(28) Capacity Charge	136,607,992	Watt	\$ -		\$ -	\$ -		
(29) Energy Charge	47,017,000	kWh	\$ -		\$ -	\$ -		
(30)					\$ -	\$ -		
(31) Variable Distribution Charge								
(32) Capacity Charge	136,607,992	Watt	\$ -		\$ -	\$ -		
(33) Energy Charge	47,017,000	kWh	\$ -		\$ -	\$ -		
(34)					\$ -	\$ -		
(35) Competitive Transition Charge								
(36) Capacity Charge	136,607,992	Watt	\$ -		\$ -	\$ -		
(37) Energy Charge	47,017,000	kWh	\$ -		\$ -	\$ -		
(38)					\$ -	\$ -		
(39) Electric Generation Charge								
(40) Capacity Charge	136,607,992	Watt	\$ 0.00295		\$ 402,521	\$ 418,881		
(41) Energy Charge	47,017,000	kWh	\$ 0.01859		\$ 873,890	\$ 909,410		
(42)					\$ 1,276,411	\$ 1,328,291		
(43)								
(44) Total Revenue					\$ 9,519,000	\$ 9,905,901		

**AVAILABILITY.**

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

**CURRENT CHARACTERISTICS.** Standard single-phase secondary service.

**MONTHLY RATE TABLE.**

**FIXED DISTRIBUTION SERVICE CHARGE.** \$5.10

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

SUMMER MONTHS. (June through September)  
4.32¢ per kWh for the first 500 kWh per dwelling unit  
5.02¢ per kWh for additional kWh.  
WINTER MONTHS. (October through May)  
4.32¢ per kWh

**COMPETITIVE TRANSITION CHARGE:**

SUMMER MONTHS. (June through September)  
2.84¢ per kWh for the first 500 kWh per dwelling unit  
3.29¢ per kWh for additional kWh.  
WINTER MONTHS. (October through May)  
2.84¢ per kWh

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

SUMMER MONTHS. (June through September)  
5.09¢ per kWh for the first 500 kWh per dwelling unit  
5.68¢ per kWh for additional kWh.  
WINTER MONTHS. (October through May)  
5.09¢ per kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

**TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE:** Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

**MINIMUM CHARGE:** The minimum charge per month will be the Fixed Distribution Service Charge.

**STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.**

**PAYMENT TERMS.** Standard.

**AVAILABILITY.**

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family for the domestic requirements of its members when such service is provided through one meter. Service is also available for related farm purposes when such service is provided through one meter in conjunction with the farmhouse domestic requirements.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

**CURRENT CHARACTERISTICS.** Standard single-phase secondary service.

**DEFINITION OF PEAK-HOURS.** On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as on-peak hours.

**MONTHLY RATE TABLE.**

**FIXED DISTRIBUTION SERVICE CHARGE:** \$10.19

**METERING AND BILLING CREDITS** A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

**SUMMER MONTHS (June through September)**

1.73¢ per off-peak kWh

7.06¢ per on-peak kWh

**WINTER MONTHS (October through May)**

1.73¢ per off-peak kWh

6.47¢ per on-peak kWh

**COMPETITIVE TRANSITION CHARGE:**

**SUMMER MONTHS (June through September)**

1.59¢ per off-peak kWh

6.11¢ per on-peak kWh

**WINTER MONTHS (October through May)**

1.59¢ per off-peak kWh

5.62¢ per on-peak kWh

**ENERGY AND CAPACITY CHARGE:** The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

**SUMMER MONTHS (June through September)**

3.34¢ per off-peak kWh

9.12¢ per on-peak kWh

**WINTER MONTHS (October through May)**

3.34¢ per off-peak kWh

8.48¢ per on-peak kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

**FILE**

**CONTINUED**