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September 13, 2005

**DOCUMENT
FOLDER**

Marlane Chestnut, ALJ
Pa. Public Utility Commission
1400 West Spring Garden St.
1302 Philadelphia State Office Building
Philadelphia, PA 19130

Re: Joint Petition of PECO Energy Company and
Public Service Electric and Gas Company for
Approval of the Merger of Public Service
Enterprise Group Incorporated with and into
Exelon Corporation
Docket No. A-110550F0160

Dear Judge Chestnut:

This letter will advise you that the Exelon Utility Coordinating Council (“EUCC”), International Brotherhood of Electrical Workers Locals 614 and 777, and Frank Kuders (collectively “Labor Parties”) do not oppose the Joint Petition for Settlement that is being submitted today by various parties to the above-referenced proceeding.

As a result, Labor Parties will not be participating in the hearings that have been scheduled beginning September 22, 2005, will not seek to admit any testimony or exhibits into the record, and will not otherwise participate, during those hearings. In the event that the Pennsylvania Public Utility Commission rejects the settlement, or otherwise modifies the settlement such that any of the parties thereto exercise their right to withdraw from the settlement, then Labor Parties reserve the right to submit testimony or exhibits in any further proceedings that may be held in this matter.

Finally, please note that Labor Parties’ lack of opposition to the settlement should not be construed as constituting their affirmative consent to any particular provision of the settlement. Further, it will not prejudice any rights that EUCC or any of its members may have as parties to any proceedings in any other jurisdictions.

Sincerely,



Scott J. Rubin

cc: James McNulty, Secretary (3 copies)
All parties

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05 SEP 14 AM 8:48
PA. P.U.C. SECRETARY'S BUREAU



McNees Wallace & Nurick LLC
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DOCUMENT
FOLDER

September 13, 2005

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

RE: Joint Application of PECO Energy Company and Public Service Electric & Gas Company for Approval of the Merger of Public Service Enterprise Group, Inc., with and into Exelon Corporation; Docket No. A-110550F0160

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of Philadelphia Area Industrial Energy Users Group's ("PAIEUG") Statement in Support in the above-referenced proceeding.

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

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
David M. Kleppinger
Charis Mincavage

Counsel to Philadelphia Area Industrial
Energy Users Group

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2005 SEP 13 PM 3: 59
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CM/lhe
Enclosures

c: Honorable Marlane Chestnut, Administrative Law Judge (via e-mail and federal express)
Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE :
ELECTRIC AND GAS COMPANY FOR :
APPROVAL OF THE MERGER OF PUBLIC : DOCKET NO. A-110550F0160
SERVICE ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :

**DOCUMENT
FOLDER**

**STATEMENT OF THE
PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

The Philadelphia Area Industrial Energy Users Group ("PAIEUG"), by and through its counsel, submits that the Joint Petition for Settlement ("Joint Petition" or "Settlement") filed in the above-captioned proceeding with the Pennsylvania Public Utility Commission ("PUC" or "Commission") on September 12, 2005, reflects a settlement among the Joint Petitioners with respect to the Application filed by PECO Energy Company ("PECO" or "Company") and Public Service Electric and Gas Company ("PSE&G") ("Joint Applicants") requesting approval of the merger of Public Service Enterprise Group Incorporated ("PSEG") with and into Exelon Corporation ("Exelon").

On February 16, 2005, PAIEUG filed a Petition to Intervene in the above-captioned proceeding. As noted in PAIEUG's Petition, PAIEUG members receive electric and natural gas services from PECO and use substantial volumes of electricity and natural gas in their manufacturing and operational processes. As a result, PAIEUG members were concerned with the effects of the proposed merger on retail competition and retail markets in Pennsylvania, as well as the effects on transmission and distribution rates. Additionally, PAIEUG was interested

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in the calculation of savings created by the synergy of the merger and the allocation of these savings among customers.

PAIEUG believes that the Joint Petition addresses the aforementioned concerns, as well as provides additional benefits to all PECO customers. Specifically, PAIEUG concludes that the Joint Petition is in the public interest. For reasons set forth in the Settlement, as well as highlighted herein, PAIEUG respectfully requests that Administrative Law Judge Chestnut and the Commission approve the terms and conditions of the Joint Petition.

1. As a result of the Joint Petition, PECO customers will receive an aggregate rate reduction of \$120 million over a four-year period. This reduction will begin within approximately thirty-days of the close of the merger.

2. The cap on PECO's transmission and distribution rates, which would otherwise expire on December 31, 2006, will extend until December 31, 2010. This extension of the transmission and distribution rate caps will ensure customers rate stability for an extended period of time.

3. The Joint Petition ensures that the Company's recovery of nuclear costs, including decommissioning expenses, will continue to adhere to the terms of PECO's 2000 Unicom Merger Settlement.

4. A Quality of Service Plan will be developed pursuant to the Settlement, which will enhance reliability and customer service, while also targeting specific areas in PECO's service territory for improvement. Additionally, the Company will be held accountable if these standards are not met. This enhancement in reliability provides benefits to all PECO customers by ensuring continued improvement in safe and reliable service.

5. The Joint Petition provides contributions of \$12 million and \$8 million to the Pennsylvania Energy Development Authority ("PEDA") for purposes of renewable energy/energy efficiency projects and economic development projects, respectively, as well as a \$7.2 million payment to the Sustainable Development Fund ("SDF"). These contributions should provide PECO customers seeking additional opportunities for obtaining funding and/or financing through PEDA and SDF of such projects.

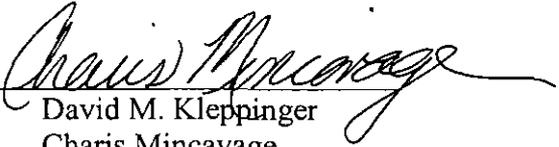
6. Pursuant to the Joint Petition, PECO agrees to support, in the Commission's Default Service Provider Rulemaking Proceeding, the ability of Default Service Providers ("DSPs") to offer, as part of the procurement of power through wholesale auctions, fixed-price retail service to large customers (i.e., demands of 1000 KW or greater) for at least a twelve-month term. If DSPs only provide hourly-priced retail service, large customers would be subjected to volatile markets, arbitrary price increases, and artificial market prices. By supporting the need for fixed-price retail service for large customers, the Joint Petition helps to ensure that large customers receive just, reasonable, and non-discriminatory retail service from DSPs.

7. As a result of the Joint Petition, expenses incurred by the Joint Petitioners and the Commission for settling this proceeding will be less than they would have been if the proceeding had been fully litigated.

WHEREFORE, the Philadelphia Area Industrial Energy Users Group respectfully requests that Administrative Law Judge Chestnut and the Pennsylvania Public Utility Commission approve the foregoing Joint Petition for Settlement.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Fax: (717)237-5300

Counsel to the Philadelphia Area Industrial
Energy Users Group

Dated: September 13, 2005

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

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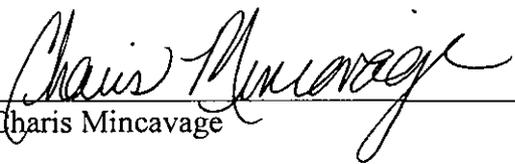
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Charis Mincavage

Dated this 13th day of September, 2005 in Harrisburg, Pennsylvania.

Exelon Business Services Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101

September 13, 2005

ORIGINALJames J. McNulty, Secretary
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Bldg.
Harrisburg, PA 17120**RECEIVED**

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAURE: Application of PECO Energy Company and
Public Service Electric and Gas Company,
Docket No. A-110550F0160

Dear Secretary McNulty:

Please find enclosed the signature page received from Energy Coordinating Agency of Philadelphia, Inc., to be attached to the Joint Petition for Settlement (the "Joint Petition") filed with your office. Kindly attach this signature page to the original filing of the Joint Petition and deem same as incorporated therein.

Thank you in advance for your courtesies in this regard.

Respectfully submitted,

**DOCUMENT
FOLDER**cc: Honorable Marlane R. Chestnut (via Federal Express)
Official Service List**ORIGINAL**

36

From: Origin ID: (215)841-6853
 Mincy Branch
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 2301 MARKET STREET
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 PHILADELPHIA, PA 19103



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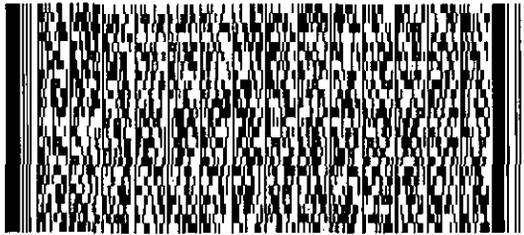
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James McNulty, Secretary
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Commonwealth Keystone Building
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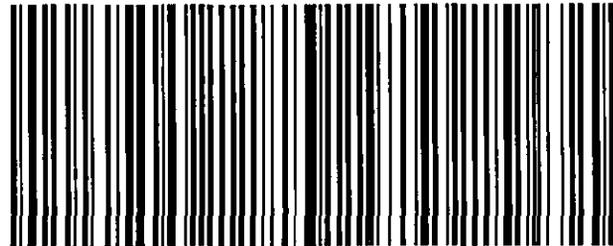
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For Citizens for Pennsylvania's Future, et al.

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For the Philadelphia Area Industrial Energy
Users Group

Steven J. Engelmyer, Esquire
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For State Senator Anthony H. Williams

Dated: September 12, 2005

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For the Action Alliance of Senior Citizens of
Greater Philadelphia, et al.

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For the Energy Coordinating Agency of
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For the Reinvestment Fund/Sustainable
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For the Pennsylvania Department of
Environmental Protection

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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CHARLES E. THOMAS
(1913 - 1998)

September 13, 2005

Honorable Marlane R. Chestnut
Administrative Law Judge
Pennsylvania Public Utility Commission
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130

In re: Docket No. A-110550F0160
Joint Application of PECO Energy and Public Service Electric and Gas Company

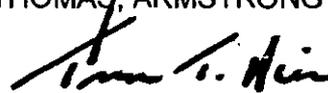
Dear Judge Chestnut:

Enclosed in the above matter please find an errata sheet concerning the Direct Testimony of Philadelphia Gas Works' witness Paul R. Carpenter.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



Thomas T. Niesen

cc: Certificate of Service (w/encl)
Denise Adamucci, Esquire (w/encl.)
Paul Carpenter (w/encl.)
James J. McNulty, Secretary (w/o encl.)

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DOCUMENT
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**Joint Application of PECO Energy Company and
Public Service Electric and Gas Company
Docket No. A-110550F0160**

Errata to Direct Testimony of Paul R. Carpenter – PGW Statement No. 1

<u>Location</u>	<u>Original</u>	<u>Corrected</u>
p.4, line 19:	2.6 billion cubic feet	2.51 billion cubic feet
p.4, line 28	divestures	divestitures
p.5, line 4	The is no equivalent	There is no equivalent
p.5, line 28	PSEG ER&T,.	PSEG ER&T.
p.19, line 3	any other upstream	any other downstream
p.20, line 6	are committed upstream	are committed downstream
p.21, line 16	upstream of PJM East	downstream of PJM East
p.21, fn 42	upstream markets	downstream markets
p.22, line 7	2.6 Bcf/d	2.51 Bcf/d
p.24, fn 43	page 10	page 14

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**Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PECO ENERGY : Docket No. A-110550F0160
COMPANY AND PUBLIC SERVICE :
ELECTRIC AND GAS COMPANY FOR :
APPROVAL OF THE MERGER OF :
PUBLIC SERVICE ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :**

CERTIFICATE OF SERVICE

I hereby certify that I have this 13TH day of September, 2005, served a true and correct copy of the foregoing Letter and Errata to Direct Testimony of Paul R. Carpenter, upon the persons and in the manner set forth below:

BY EMAIL AND FIRST CLASS MAIL, POSTAGE PREPAID

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lizr@ecasavesenergy.org



Thomas T. Niesen

Legal Department

Telephone 215.841.5544
www.exeloncorp.com

Business Services
Company

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SECRETARY'S BUREAU

September 14, 2005

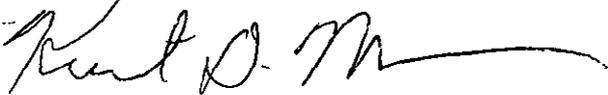
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**RE: Joint Application of PECO Energy Company and Public Service
Electric And Gas Company for Approval of the Merger of Public
Service Enterprise Group Incorporated with and into Exelon Corporation
Docket No. A-110550F0160**

Dear Judge Chestnut:

Enclosed please find a copy of the Further Supplemental Testimony of Denis P. O'Brien In Support Of The Joint Petition For Settlement.

Sincerely,



Kent D. Murphy

**DOCUMENT
FOLDER**

KDM:mb
Enclosure

cc: James McNulty, Secretary (Certificate of Service only)
Official Service List

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of PECO Energy Company and :
Public Service Electric And Gas Company for :
Approval of the Merger of Public Service Enterprise : Docket No. A-110550F0160
Group Incorporated with and into Exelon Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a true copy of Further Supplemental Testimony of Denis P. O'Brien In Support Of The Joint Petition For Settlement via first class mail and e-mail to the following:

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OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160		YES	NO
		Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group with and into Exelon Corporation	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
		Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
		Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia	Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
Date:	September 12, 2005			
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	DATE:		
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: left;"> <p>DOCUMENT FOLDER</p> </div> <div style="text-align: center;"> <p>RECEIVED</p> <p>SEP 15 2005</p> <p>PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU</p> </div> </div>		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:	<p><i>Hearing cancelled</i></p>	

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Name and Telephone Number	Address	Who are you representing?			
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City	State	Zip			
Telephone:	E-mail Address:	Fax Number:			

Check this box if additional parties or attendees appear on back of form.

9/14/05 *elp.*

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160	Prehearing Held:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group with and into Exelon Corporation	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Location:	Philadelphia	Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
Date:	September 13, 2005	Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
		DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
		DATE:		
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		
		<i>Hearing cancelled</i>		

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SECRETARY'S BUREAU

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	City State Zip	
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	City State Zip	
Telephone:	E-mail Address:	Fax Number:
	City State Zip	
Telephone:	E-mail Address:	Fax Number:

Check this box if additional parties or attendees appear on back of form.

*9/14/05
elf*

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.



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Bureau of Regulatory Counsel

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Telecopier 717-783-7911

ORIGINAL

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

RE: Joint application of PECO Energy Company and Public Service Electric and Gas Company for approval of the merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation.
PUC Docket No. A-110550F0160.

Dear Secretary McNulty:

Please find for filing an original and three copies of the Department of Environmental Protection's Statement in Support of Joint Petition for Settlement in the above referenced matter.

Sincerely,

Scott Perry
Assistant Counsel

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cc: Certificate of Service
Honorable Marlane Chestnut, PUC ALJ

enclosure

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COMMONWEALTH OF PENNSYLVANIA
BEFORE THE PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PECO :
ENERGY COMPANY AND PUBLIC :
SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE :
MERGER OF PUBLIC SERVICE :
ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :

Docket No. A-110550F0160

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DEPARTMENT OF ENVIRONMENTAL PROTECTION'S
STATEMENT IN SUPPORT OF THE
JOINT PETITION FOR SETTLEMENT

On February 4, 2005, PECO Energy Company ("PECO") and Public Services Electric and Gas Company ("PSE&G") (collectively the "Joint Applicants") filed a Joint Application for Approval of Merger, to obtain the approval of the Public Utility Commission ("PUC" or "Commission") for the merger of Public Service Enterprise Group Incorporated ("PSEG"), the corporate parent of PSE&G, with and into Exelon Corporation ("Exelon"), the corporate parent of PECO and the ultimate corporate parent of the Joint Applicants.

On March 7, 2005, the Department of Environmental Protection ("Department") filed a Petition to Intervene in order to ensure that the Department's interests in environmental protection and energy related programs administered by the Department were adequately represented in this proceeding.

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On September 13, 2005, the Department, PECO, PSE&G, the Office of Trial Staff, the Office of Consumer Advocate, the Office of Small Business Advocate, Citizens for Pennsylvania's Future and the two named individuals that joined in its Protest and Petition to Intervene, the Action Alliance of Senior Citizens of Greater Philadelphia, the Association of Community Organizations for Reform Now, the Tenants' Action Group, the Energy Coordinating Agency of Philadelphia, Inc., the Philadelphia Area Industrial Energy Users Group, The Reinvestment Fund/Sustainable Development Fund, and State Senator Anthony H. Williams (collectively referred to as the "Joint Petitioners") filed a Joint Petition for Settlement ("Joint Petition" or "Settlement") seeking to resolve all of the Joint Petitioners' issues pertaining to the Joint Applicant's Application for Approval of Merger.

As indicated in the Joint Petition, the Department believes that the proposed Settlement is in the public interest. The Settlement advances improved reliability of service, promotes clean, advanced energy technologies, and promotes environmentally friendly economic development that will be of benefit to the PECO service territory.

Issues concerning reliability of service were raised by the Department's witness, Daniel Desmond. The proposed Settlement adopts Mr. Desmond's recommendation that PECO adopt the net metering and interconnection rules that are materially consistent with safe utility practice and the corresponding rules currently in place in New Jersey. These rules will be adopted unless the Commission, as part of its ongoing Alternative Energy Portfolio Standards rulemaking proceeding at Docket No. M-00051865, adopts statewide net metering and interconnection rules that are inconsistent with the New Jersey rules.

In addition, the proposed settlement will assist the Commonwealth in carrying out Executive Order Number 2002-8 of July 18, 2002 by providing \$20 million over four years

to the Pennsylvania Energy Development Authority ("PEDA"). Executive Order 2002-8 declares that ensuring affordable energy supply is critical to the welfare of Pennsylvania's citizens and to the continued economic prosperity of the Commonwealth. It further declares that maintaining a diverse and reliable energy portfolio will be critical to minimizing the effects of any single energy source on Pennsylvania's consumers and maintaining a sustainable supply of energy. One way the Department promotes Executive Order 2002-8 is through PEDA.

PEDA is an independent public financing authority that was created in 1982 by the Pennsylvania Energy Development Authority and Emergency Powers Act. The Authority's mission is to finance clean, advanced energy projects in Pennsylvania, including solar energy, wind, low-impact hydropower, geothermal, biomass, landfill gas, fuel cells, integrated gasification combined cycle, waste coal, coal-mine methane and demand management measures.

Of the \$20 million provided to PEDA, \$500,000 will be set aside, subject to the approval of PEDA's board of directors, for funding PEDA qualified Low Income Usage Reduction Program projects in PECO's service territory (including the "Cool Roofs" program) and \$8 million will be devoted to energy related economic development projects and initiatives of benefit to the PECO service territory. Therefore, through PEDA the proposed Settlement will promote the use of efficient, clean and diverse energy technologies in Pennsylvania that will contribute to the welfare of Pennsylvania's citizens and to the continued economic prosperity of the Commonwealth.

Equally important to the welfare of Pennsylvania's citizens and to the continued economic prosperity of the Commonwealth, the proposed settlement will reduce retail electric distribution rates and will protect hundreds of jobs that are vital to service reliability. If the Settlement is approved, PECO will reduce its retail electric distribution rates over a four year period for an aggregate total savings to PECO customers of \$120 million and will also cap its transmission and distribution charges for a four year period, from January 1, 2007 through December 31, 2010. In addition, PECO has agreed to limitations on any reductions in its field forces prior to January 1, 2011.

The Department submits that the settlement terms described above will help improve the reliability of service received by PECO's customers, will improve energy efficiency and conservation and will promote environmentally friendly economic development in the PECO service territory and the Commonwealth. As such, the Department submits that the Joint Petition for Settlement is in the public interest and, therefore, requests that the Commission: (1) approve without modification the proposed Settlement; (2) issue the Certificates of Public Convenience and enter Orders granting the approvals requested in the Joint Application; and (3) approve the tariff supplements that are necessary to implement the rate reductions and other changes agreed to as part of the proposed Settlement.

Respectfully submitted,


Susan Shinkman, Esquire
Chief Counsel

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Deputy Chief Counsel

Scott Perry, Esquire
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Commonwealth of Pennsylvania
Department of Environmental Protection
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For the Pennsylvania
Department of Environmental Protection

Dated: September 14, 2005

COMMONWEALTH OF PENNSYLVANIA
BEFORE THE PUBLIC UTILITY COMMISSION

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JOINT APPLICATION OF PECO :
ENERGY COMPANY AND PUBLIC :
SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE : Docket No. A-110550F0160
MERGER OF PUBLIC SERVICE :
ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :

CERTIFICATE OF SERVICE

I do hereby certify that on this day, I served a true and correct copy of the Department of Environmental Protection's Statement in Support of Joint Petition for Settlement, upon the participants listed below, in accordance with the requirements of § 1.54 (relating to service by a participant).

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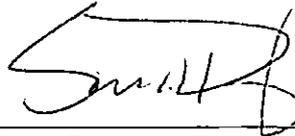
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Dated: September 14, 2005



The Reinvestment Fund
Human Interest Compounded Daily

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September 14, 2005

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Subject: Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation
Docket No. A-110550 F0160

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three copies of the Statement of The Reinvestment Fund in Support of the Joint Petition for Settlement in the above-referenced proceeding.

I have attached a Certificate of Service showing that all parties to this proceeding are being duly served.

I have also enclosed an extra copy of the Statement and a return envelop. Please date stamp this extra copy and kindly return it to us for our records.

Sincerely,

Roger E. Clark, Esq.

direct phone: 215.574.5814
direct fax: 215.574.5914
email: roger.clark@trfund.com

Enclosures: Statement of The Reinvestment Fund in Support
Certificate of Service

Copies: See attached Certificate of Service

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43

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE ELECTRIC :
AND GAS COMPANY FOR APPROVAL OF THE : Docket No. A-110550 F0160
MERGER OF PUBLIC SERVICE ENTERPRISE :
GROUP INCORPORATED WITH AND INTO :
EXELON CORPORATION :

**DOCUMENT
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DOCKETED
SEP 16 2005

**STATEMENT OF THE REINVESTMENT FUND
IN SUPPORT OF THE
JOINT PETITION FOR SETTLEMENT**

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The Reinvestment Fund ("TRF") is a signatory to the Joint Petition for Settlement signed on September 12, 2005 by a large number of the parties in this proceeding and files this Statement of Support recommending that the Commission adopt the Joint Petition for Settlement as the basis of its Order.

TRF was and remains an active party in this proceeding. It was given that status by Prehearing Order #2, which was issued by Administrative Law Judge Marlane R. Chestnut on September 30, 2005 (see ¶5 on page 3). TRF submitted both Direct Testimony (TRF Statement 1) and Surrebuttal Testimony (TRF Statement 1-SR) by Lewis Milford, president of the Clean Energy Group.

The major theme of Mr. Milford's testimony and TRF's position in this case is that the expanded use of energy efficiency and demand management, renewable energy and advanced clean energy technologies offers the public considerable affirmative benefits in service,

accommodation, convenience and safety of their electric utility system. Mr. Milford noted in his testimony several of the benefits of clean energy:

- Energy conservation and load management reduce peak demand and thereby increase the reliability of power by avoiding extreme peak loads that stress the utility grid. The value and cost effectiveness of these strategies are recognized by the large number of utilities and public utility commissions that are actively working to expand energy efficiency and demand response resources.
- Distributed generation, the deployment of smaller generation, increases the reliability of the power grid by lessening the dependence on a small number of huge generating stations that are far from the load centers.
- Clean energy projects protect ratepayers from escalating fuel prices by providing fuel diversity and lessening our dependence on natural gas. The March 2004 report by the Black & Veatch Corporation entitled *Economic Impact of Renewable Energy in Pennsylvania* analyzed the potential impacts to fossil fuel prices and consumption as a result of a 10% renewable portfolio standard in Pennsylvania by consulting recent national and regional studies. According to the report, “[s]trong evidence has been presented by numerous studies that suggest that there are natural gas price impacts as a result of the adoption of renewable energy policies.” While noting that Pennsylvania uses less natural gas for electricity generation than the states in the studies, the report suggests that a 10% RPS in Pennsylvania could result in a 1% reduction in the cost of natural gas, which would result in fuel savings of almost \$140 million per year. [footnote and cite omitted]
- Clean energy projects promote economic development by developing Pennsylvania resources and providing Pennsylvania jobs. A recent noteworthy example of this is the recent decision by Gamesa, the Spanish wind company, to locate both its North American business headquarters and a blade manufacturing facility in Pennsylvania. The Black & Veatch report cited above noted that compliance with a 10% RPS in Pennsylvania would result in \$10.1 billion additional gross state output over 20 years over the business-as-usual portfolio, would provide a \$2.8 billion advantage in earnings and would generate about 85,000 more job-years

over 20 years than the business-as-usual portfolio. Other reports for other states report similar economic benefits.

- Clean energy projects protect public health by reducing emissions of dangerous pollutants and reduce the environmental impacts of pollution of our air, water and land. The deployment of clean energy technologies will result in reduced air and water pollution, enhancing the region's competitive advantage. By using zero-emission technologies such as solar and wind sources and low-emission, advanced biomass technologies, clean energy projects reduce the emissions of major pollutants including carbon dioxide, nitrogen oxide, sulfur dioxide, and mercury that stem from the current use of fossil fuel energy sources.
- Clean energy projects strengthen Pennsylvania's Electric Choice initiative. At an event celebrating the fifth anniversary of electric choice, then Chairman Glen R. Thomas stated:

As Pennsylvania celebrates five years of national leadership under electric competition, we can also celebrate national leadership when it comes to protecting the environment. Thanks to Electric Choice, Pennsylvanians can choose to light and heat their homes through green power. Nearly 120,000 Pennsylvanians have made this choice -- more than any other state. This demand has led to new technologies -- technologies that will enhance our reputation as the leader when it comes to utility competition, and technologies that will bring greater choices and services to Pennsylvania consumers.

(TRF Statement No. 1, pages 7-9).

Mr. Milford then cited a number of events and actions that indicate a growing support for clean energy in Pennsylvania:

- The creation of the regional sustainable energy funds in the 1998 settlement agreements of the restructuring proceedings for PECO Energy, Pennsylvania Power & Light, General Public Utilities and West Penn Power.
- The increase in funding for the regional sustainable energy funds that was provided for in the settlement agreements of the PECO Energy/Unicom merger in 2000 and in the GPU/First Energy merger in 2002.

- The expanded clean energy funding provided for by the Pennsylvania Department of Environmental Protection under the Energy Harvest Program. The third round of Energy Harvest funding, announced on May 4, 2005, will bring the total Energy Harvest support to \$15 million. [cite omitted]
- The rebirth of the Pennsylvania Energy Development Authority and the new funding it is providing for clean energy. On June 23, 2005, PEDDA announced the award of \$10 million to 17 different energy projects. In making the announcement, DEP Secretary Kathleen McGinty noted:

We, in Pennsylvania, have the ingenuity and resources to develop and deploy new clean energy technology. Our commonwealth is offering significant financial incentives to make energy manufacturing a cornerstone in the state's economic future and ensure that more electricity generation comes from environmentally beneficial sources. PEDDA refocuses our priorities on indigenous energy resources by investing in clean, efficient energy made in Pennsylvania. [cite omitted]
- The enactment of the Advanced Energy Portfolio Standards Act of 2004 is the strongest statement that clean energy is official Pennsylvania public policy. This act requires electric distribution companies and electric generation suppliers to increase the percentage of the total power sold that comes for various clean and alternative energy sources. [cite omitted].

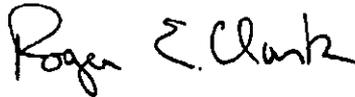
(TRF Statement No. 1, pages 10-11).

The Joint Petition for Settlement provides for \$12 million in new funding to the Pennsylvania Energy Development Authority for “renewable energy, energy efficiency and energy conservation (see ¶38 on pages 23-24) and \$7.2 million in new funding to the Sustainable Development Fund (*ibid*). In addition, the Joint Petition provides \$8 million in new funding to the Pennsylvania Energy Development Authority to be used for “energy related economic development projects and initiatives” (see ¶52 on page 29).

Because of this new financial support for clean energy and for the other public benefits secured by the Joint Petition, TRF urges the Commission to find that the proposed merger provides the affirmative public benefits that must be present if the Commission is to award a

certificate of public convenience under 66 Pa. C.S. §1102(a)(3) to the Joint Applicants for the proposed merger. TRF asserts that this merger is consistent with the “service, accommodation, convenience, or safety of the public.” 66 Pa. C.S. §1103(a).

Respectfully submitted,



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Counsel for TRF/SDF

Date: September 14, 2005

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE ELECTRIC :
AND GAS COMPANY FOR APPROVAL OF THE : Docket No. A-110550 F0160
MERGER OF PUBLIC SERVICE ENTERPRISE :
GROUP INCORPORATED WITH AND INTO :
EXELON CORPORATION :

CERTIFICATE OF SERVICE

I certify that on September 14, 2005, I had served a copy of the Statement of The Reinvestment Fund in Support of the Joint Petition for Settlement to the following persons in the manner shown below:

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September 14, 2005



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William R. Lloyd, Jr.
Small Business Advocate

September 14, 2005

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HAND DELIVERED

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

**DOCUMENT
FOLDER**

**Re: Joint Application of PECO Energy Company and Public Service
Electric and Gas Company for Approval of the Merger of Public
Service Enterprise Group Incorporated with and into
Exelon Corporation
Docket No. A-110550F0160**

Dear Secretary McNulty:

I am delivering for filing today the originals plus three copies each of two Notices of Appearance on behalf of the Office of Small Business Advocate in the above captioned matter.

A copy has been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

Sincerely,

Carol F. Pennington
Assistant Small Business Advocate
Attorney ID No. 50468

Enclosures

cc: Hon. Marlane R. Chestnut
Administrative Law Judge
Parties of Record
Brian Kalcic

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SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE :
ELECTRIC & GAS COMPANY FOR : DOCKET NO. A-110550F0160
APPROVAL OF THE MERGER OF PUBLIC :
SERVICE ENTERPRISE GROUP, INC., :
WITH AND INTO EXELON CORPORATION :

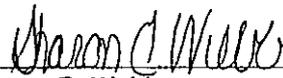
**DOCUMENT
FOLDER**

NOTICE OF APPEARANCE

The Office of Small Business Advocate, pursuant to 52 Pa. Code § 1.24, hereby enters the appearance of **Sharon E. Webb**, in addition to Carol F. Pennington, in the above captioned proceeding.

Documents in this proceeding should continue to be served on the following. However, OSBA requests that parties add Ms. Webb to their e-mail distribution lists (swebb@state.pa.us):

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Dated: September 14, 2005

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE :
ELECTRIC & GAS COMPANY FOR : DOCKET NO. A-110550F0160
APPROVAL OF THE MERGER OF PUBLIC :
SERVICE ENTERPRISE GROUP, INC., :
WITH AND INTO EXELON CORPORATION :

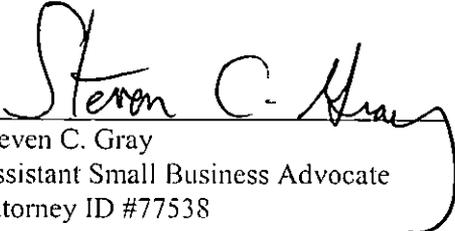
DOCUMENT
FOLDER

NOTICE OF APPEARANCE

The Office of Small Business Advocate, pursuant to 52 Pa. Code § 1.24, hereby enters the appearance of **Steven C. Gray**, in addition to Carol F. Pennington, in the above captioned proceeding.

Documents in this proceeding should continue to be served on the following. However, OSBA requests that parties add Mr. Gray to their e-mail distribution lists (sgray@state.pa.us):

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE :
ELECTRIC & GAS COMPANY FOR : DOCKET NO. A-110550F0160
APPROVAL OF THE MERGER OF PUBLIC :
SERVICE ENTERPRISE GROUP, INC., :
WITH AND INTO EXELON CORPORATION :

CERTIFICATE OF SERVICE

I certify that I am serving Notices of Appearance for Sharon E. Webb and Steven C. Gray, on behalf of the Office of Small Business Advocate, by e-mail and overnight mail (unless otherwise indicated) upon the persons addressed below:

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Date: September 14, 2005



September 14, 2005

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ORIGINAL

Re: In the Matter of the Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group with and into Exelon Corporation
Docket No. A-110550F0160

Dear Secretary McNulty:

Enclosed please find an original and three copies of the Statement of the PennFuture Parties in Support of Joint Petition for Settlement in the above-captioned proceeding. Copies have been served on the parties as set forth in the Certificate of Service.

Sincerely,

Charles McPhedran
Senior Attorney

cc: Hon. Marlane R. Chestnut
Certificate of Service

**DOCUMENT
FOLDER**

38

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PECO :
ENERGY COMPANY AND PUBLIC : DOCKET NO. A-110550F0160
SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE :
MERGER OF PUBLIC SERVICE :
ENTERPRISE GROUP WITH AND :
INTO EXELON CORPORATION :

STATEMENT OF THE PENNFUTURE PARTIES
IN SUPPORT OF JOINT PETITION FOR SETTLEMENT

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SECRETARY'S BUREAU

1. In accordance with Prehearing Order #7 in this proceeding dated September 12, 2005, Citizens for Pennsylvania's Future (PennFuture), Joy Bergey, and Lisa Z. Leighton (collectively, the PennFuture Parties) hereby submit their statement in support of the Joint Petition for Settlement filed on September 13, 2005 in the above-captioned matter.

2. Under standards applied by the Commission, an applicant for approval of a utility merger must demonstrate affirmative benefits to the public. York v. Pa. P.U.C., 449 Pa. 136, 141, 295 A.2d 825, 828 (1972). The Joint Petition for Settlement in this matter demonstrates substantial affirmative benefits to the public, including rate reductions, reliability improvements, assistance for low-income customers, economic development, increased energy conservation and more clean energy supply. The merger settlement in the PECO-Unicom proceeding, Docket No. A-110550F0147, included

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SEP 19 2005

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similar levels of funding for clean energy; this funding is providing affirmative benefits by playing an important role in constructing approximately 200 MW of wind and solar power.

3. In particular, the Joint Petition for Settlement includes requirements that will provide affirmative benefits to the public by funding renewable energy and energy efficiency: Under the Joint Petition, PECO Energy Company (PECO) has agreed to contribute \$12.0 million over four years to the Pennsylvania Energy Development Authority "to be used for the purposes of funding renewable energy, energy efficiency and energy conservation projects" (Par. 38). Additionally, PECO has agreed to provide \$7.2 million in a lump sum payment to the Sustainable Development Fund (Par. 38), which finances projects that promote renewable energy and energy efficiency. The agreement provides the following with regard to net metering and interconnection rules:

PECO will adopt net metering and interconnection rules that are materially consistent with safe utility practice and the corresponding rules currently in place in New Jersey unless the Commission, as part of its ongoing Alternative Energy Portfolio Standards ("AEPS") rulemaking proceeding at Docket No. M-00051865, adopts statewide net metering and interconnection rules that are inconsistent with the New Jersey rules.

Joint Petition for Settlement, Par. 39.

4. The total of \$19.2 million for renewable energy and energy efficiency projects offers significant affirmative benefits to the public. Renewable energy improves distribution system reliability and reduces system congestion; provides jobs and economic development; offers a domestic and secure energy supply; and reduces air pollution and its health impacts. Energy efficiency offers considerable electricity and economic savings to customers, as well as offering many of the same benefits as renewable energy.

5. The improvements in PECO's net metering and interconnection rules provided by the settlement agreement will also offer significant affirmative benefits to the public by facilitating the development of renewable distributed energy generation. Because net metering and interconnection rules in New Jersey lower the barriers to distributed generation as compared to Pennsylvania, the adoption of New Jersey rules by PECO will encourage distributed renewable generation capacity, which will offer the significant benefits of renewable energy cited above.

6. For these reasons, the PennFuture Parties urge the Commission to approve the Joint Petition for Settlement as providing affirmative benefits to the public.

Respectfully submitted,

FOR THE PENNFUTURE PARTIES .



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ORIGINAL

SECRETARY'S BUREAU

2005 SEP 14 PH 4:00

RECEIVED

RE: Joint Application of PECO Energy
Company and Public Service Electric and
Gas Company for Approval of the Merger of
Public Service Enterprise Group
Incorporated with and into Exelon
Corporation
Docket No. A-110550F0160

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of the Statement in Support of the Joint Petition for Settlement, in the above-referenced proceeding.

Copies have been served on the parties of record as indicated on the enclosed Certificate of Service.

Sincerely,

Tanya J. McCloskey
Senior Assistant Consumer Advocate

Enclosure

cc: Parties of record
Honorable Marlane R. Chestnut, via overnight mail
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Joint Application Of PECO Energy :
Company And Public Service Electric :
& Gas Company For Approval Of :
The Merger Of Public Service Enterprise :
Group, With And Into Exelon Corp. :

Docket No. A-110550F0160

SECRETARY'S BUREAU

2005 SEP 14 PM 4:00

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STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE IN
SUPPORT OF JOINT PETITION FOR SETTLEMENT

The Office of Consumer Advocate of the Commonwealth of Pennsylvania ("OCA"), one of the signatory parties to the Joint Petition for Settlement ("Joint Petition" or "Settlement"), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

On February 4, 2005, PECO Energy Company ("PECO") and Public Service Electric & Gas Company ("PSE&G")(collectively, "the Joint Applicants") filed an Application with the Pennsylvania Public Utility Commission ("Commission") seeking to obtain the approval of the Commission under Chapters 11, 22, and 28 of the Public Utility Code, for the merger of Public Service Enterprise Group ("PSEG"), the corporate parent of PSE&G, with and into Exelon Corporation ("Exelon"), the corporate parent of PECO and the ultimate corporate parent of the Joint

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Applicants. The Joint Applicants requested that the Commission issue Certificates of Public Convenience for PECO and PSE&G evidencing its approval or that the Commission determine that such approval is not necessary. On March 7, 2005, the OCA filed a Notice of Intervention and Protest in order to ensure that the merger is approved by the Commission only if (1) it is found to be in the public interest; (2) it provides substantial, affirmative benefits to PECO's ratepayers; (3) it does not adversely affect retail competition in Pennsylvania; and (4) it is in accordance with the Public Utility Code. Petitions to Intervene and/or Protests were filed by 22 other parties and the Office of Trial Staff entered its appearance in the matter.

A Prehearing Conference was held on March 29, 2005 to establish the schedule for litigation and to address outstanding procedural matters of interest to the parties. In accordance with the procedural schedule the parties conducted extensive discovery, including an informal discovery session and served direct, rebuttal and surrebuttal testimony. By Secretarial Letter dated July 15, 2005, the parties were directed to respond to five Directed Questions submitted by Vice Chairman James H. Cawley and Commissioner Bill Shane. The parties then served Supplemental Testimony in accordance with a revised procedural schedule addressing the Directed Questions. Also in accordance with the procedural schedule, two public input hearings were held on June 30, 2005.

During the course of this proceeding, the parties undertook settlement discussions. Those discussions have now resulted in the Joint Petition for Settlement by some of the parties to the proceeding. Although not signatories to the Joint Petition, the Labor parties have submitted a letter indicating that they will not oppose the Joint Petition. As will be discussed below, the OCA submits that the Joint Petition for Settlement is in the public interest and provides for substantial, affirmative benefits to Pennsylvania as a result of this proposed merger.

II. TERMS AND CONDITIONS

A. Rate Reductions/Rate Cap Protections

Pursuant to the Joint Petition, PECO has agreed to reduce its retail electric distribution rates by \$120 million over a four year period. The rate reductions will commence approximately one month after consummation of the merger and will remain in effect for four years. In the first two years, rates will be reduced by \$40 million each year. In the next two years, rates will be reduced by \$20 million in each year. See, Paragraph 14. These rate reductions help to continue the rate relief that PECO's customers experienced since restructuring and help to bring concrete benefits to Pennsylvania ratepayers as a result of the current merger proposal.

In addition to the rate reductions, PECO has agreed to cap its transmission and distribution charges through 2010. See, Paragraph 15-17. With this commitment, the period of transmission and distribution rate stability for PECO's customers extends nearly 20 years, since PECO's last base rate case in 1990. These provisions help to ensure that the benefit of rate stability is provided to customers as a result of the merger proposal

Further, during this extended rate cap period, PECO has agreed to amortize the costs and expenses of achieving the merger. See, Paragraph 18. This provision ensures that the costs associated with achieving the merger are borne by PECO and will not be charged to customers in some future rate case. This provision provides an important protection to PECO customers by ensuring that these costs are not deferred, or otherwise recovered from ratepayers.

B. Recovery of Nuclear Costs

Paragraph 19 of the Joint Petition for Settlement confirms PECO's commitment made in the 2000 Unicom Merger Settlement, and in its testimony here, that PECO's ratepayers will only

be responsible for nuclear costs, including nuclear decommissioning costs, that are associated with the ownership and operation of nuclear plants that PECO held on December 31, 1999 (Pre-Existing Nuclear Interests). As part of PECO's 1998 Restructuring Settlement, PECO's ratepayers continue to pay for nuclear decommissioning costs associated with PECO's ownership of certain nuclear plants. Under the proposed merger of Exelon and PSEG, the Exelon nuclear fleet will expand to include additional nuclear plants now owned by PSEG. Paragraph 19 ensures that costs from the PSEG plants will not be charged to PECO's ratepayers, and that no portion of PECO ratepayer supplied funding of PECO Pre-Existing Nuclear Interests will be diverted to pay costs associated with acquired plants.

C. Reliability and Customer Service

As part of the Joint Petition, PECO has agreed to a Quality of Service Plan (Service Plan) designed to maintain or improve reliability and customer service provided by PECO over the levels committed to in the 2000 Unicom Merger Settlement. In the 2000 Unicom Merger Settlement, PECO agreed to a Quality of Service Plan, but that Plan was set to expire at the end of 2005 under the 2000 Unicom Merger Settlement.

Through the Joint Petition, PECO has agreed to extend its reliability and customer service commitments through a new Service Plan. See, Paragraphs 20-32. In the Service Plan, PECO has agreed to established performance thresholds in eight areas that are important to providing safe and reliable service and reasonable customer service. By establishing the Service Plan, the Joint Petition will better ensure that the proposed merger will not result in any service decline, and that service will be improved as best practices are identified and brought into Pennsylvania. The Joint Petition also ensures that the Service Plan metrics and thresholds are a part of the annual

performance appraisal and compensation for managerial and supervisory employees. See, Paragraph 21. This will ensure that management and supervisory personnel are held accountable for performance under the Service Plan.

Additionally, PECO has agreed to a number of reporting requirements that will assist the Commission and the parties in monitoring many aspects of the provision of reliable service as well as quality customer service, each year. See, Paragraph 24. As to reliability, PECO will continue to report on its efforts to improve reliability of its five worst performing circuits each year, its storm management efforts for major storms, its efforts to reduce repeat outages experience by customers, and its SAIDI (System Average Interruption Duration Index) and MAIFI (Momentary Average Interruption Frequency Index). As to customer service, PECO will continue to report on the number of residential customer disputes not issued a Company report in 30 days, its justified consumer complaint rate, its PUC Infraction Rate, the number of residential bills not rendered each month, the number of residential meters not read every month, and its customer satisfaction survey results.

The Joint Petition also provides a process for addressing any performance failures or non-compliance with the Service Plan. All parties also retain their rights to pursue complaints for other failures not measured by the Service Plan, or to respond to individual or community complaints. PECO also agrees that the Joint Petition does not limit or eliminate its responsibility to address reliability and customer service problems in its service territory and that it does not limit the authority of the Commission or any of its Bureaus.

Finally, the Joint Petition sets forth a process to be followed by PECO in informing the Commission and interested parties about its impending billing system conversion. Of particular

note, PECO has agreed that if customers are subject to billing errors or billing delays associated with the implementation of the new billing system, customers will be given an opportunity for an affordable payment arrangement without regard to the limitations contained in Chapter 14 of the Public Utility Code. See, Paragraph 32.

D. Universal Service

Through the Joint Petition, PECO makes a number of significant commitments that will enhance its universal service programs as well as the operation of those programs. See, Paragraphs 33-37. PECO has for many years operated a Customer Assistance Program (CAP) where it provided discounted rates to customers who were low income. As a result of the 2000 Unicom Merger Settlement, PECO entered into negotiations with the interested parties and agreed to the addition of a Special Needs Component to its CAP program to try to make bills more affordable for those customers at the very lowest levels of poverty. PECO has now agreed to increase the amount of kilowatt-hour usage that is subject to the discounted rate for all CAP Rate participants. For CAP Rates B (85% discount), C (75% discount), D (50% discount) and E (25% discount), PECO will increase the monthly usage levels eligible for the discount from 500 kwh to 650 kwh effective January 1, 2007. The OCA anticipates that this step will better assist low income customers in being able to pay their bills.

PECO has also agreed to increased efforts to reach customers most in need and to efficiently certify customers eligible for participation. PECO has agreed to increase its own efforts and spending on outreach and education. PECO will spend an additional \$1.2 million over the next four years on its outreach and education efforts. PECO has also agreed to provide funding to local community based organizations in the amount of \$100,000 per year for four years to assist PECO in

better identifying and reaching eligible households. PECO has reaffirmed its commitment to work with its Advisory Committee in soliciting input in these endeavors, and specific procedures have been put in place to ensure that this process works efficiently.

In addition to its own efforts to enhance its universal service programs, PECO has agreed to provide additional funding through its Matching Energy Assistance Fund (“MEAF”) from 2007 through 2010 to be used by the county agencies in assisting PECO customers. PECO will provide \$500,000 in additional energy assistance each year to the county fuel fund agencies beyond its current matching of contributions and reimbursement of administrative costs for those agencies. Over the four years, this will provide an additional \$2 million to assist PECO customers with their energy needs.

PECO has also agreed to restore the monthly bill check-off box option for MEAF contribution on customer bills when it implements its new customer billing and information system. The MEAF check-off box option has not appeared on the PECO bill at least since the bill format changed with restructuring. PECO’s agreement to restore the check-off box, as well as its agreement to provide for MEAF contributions from electronic bill payment customers, if technically feasible and not substantially uneconomical, should better enable customers to give to MEAF. PECO has also committed to providing bill inserts on MEAF on a regular basis so that customers are fully informed about the program and how to make contributions. In this time of ever increasing energy prices, and the strain on many household budgets, the importance of these programs, and the ability to easily contribute, can make a significant difference.

E. Environmental Provisions/Economic Development

As part of the Joint Petition, PECO has agreed to provide funding for renewable power and energy efficiency initiatives. PECO will provide a total of \$12 million to the Pennsylvania Energy Development Authority (“PEDA”) (\$3 million each year in 2007, 2008, 2009, 2010) to be used for the purpose of funding renewable energy, energy efficiency and energy conservation projects with emphasis on energy conservation projects of benefit to the PECO service territory. Of the \$12 million, a total of \$500,000 (\$125,000 each year in 2007, 2008, 2009, 2010) will be set aside, subject to approval of PEDA’s board of directors, for PEDA qualified Low Income Usage Reduction Programs in PECO’s service territory.

In addition to these amounts, PECO will provide a total of \$8 million to PEDA (\$2 million each year in 2007, 2008, 2009, 2010) to be used for energy-related economic development projects and initiatives of benefit to PECO’s service territory. Through these commitments, PECO has provided \$20 million for funding of projects through PEDA that will benefit PECO’s service territory both environmentally and economically.

PECO has also agreed to continuation of funding of the Sustainable Development Fund (“SDF”). PECO will provide \$7.2 million in a lump sum within three months of the consummation of the merger to be used for projects in accordance with the goals and by-laws of the SDF.

F. Corporate Protections

As in the 2000 Unicom Merger Settlement, PECO has agreed to a number of corporate protections to ensure that PECO customers will be protected from the risk of affiliated businesses not regulated by the Commission. In addition, the corporate protections provide for

accounting and pricing protocols and ensure that the Commission and interested parties have reasonable access to books, records and personnel of affiliates so as to perform regulatory oversight functions. The Joint Petition also provides for advanced notice of certain dividend payments and transfers of funds so that the interested parties can properly monitor any changes.

G. Corporate And Community Presence

PECO has committed to maintaining its corporate headquarters for its distribution business in Philadelphia through at least December 31, 2010. This provision will ensure that PECO retains its strong corporate presence in Philadelphia for the foreseeable future. PECO has also committed to continue its charitable giving and sponsorships at least at its historic level of \$3 million per year each year from 2007 through 2010.

H. Staffing

As part of the Joint Petition, PECO has agreed that for many of the key workforce positions that affect reliability and customer service, PECO will not reduce forces prior to January 1, 2011 or that it will reduce those workforce positions as a result of the merger by no more than the number of reductions identified as part of this merger proceeding. While PECO is not precluded from sizing its workforce to reflect technological and process improvements that are unrelated to the merger, Paragraph 51 ensures that workforce levels will not be reduced further than projected as a result of the merger. This will help to ensure that reliability and customer service quality are maintained.

I. Competitive Electric Markets

PECO has agreed to certain reporting requirements from 2007 through 2012 so that the Commission and the parties can better monitor the PJM wholesale markets. While the Joint

Petitioners have agreed to no longer pursue market power issues in this proceeding as part of this comprehensive settlement, the Joint Petitioners retain their rights to participate in the proceeding at the Federal Energy Regulatory Commission (“FERC”) regarding appropriate mitigation plans. Additionally, the Joint Petition does not impact the right of non-signatory parties to continue to litigate matters related to market power at the Pennsylvania Commission.

J. Consolidation of Natural Gas Operations

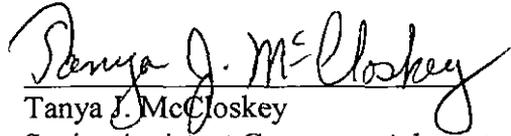
The Joint Petitioners have agreed to the initiation of a separate fact-finding investigation after the consummation of the merger to examine the issues related to the consolidation of PGW operations into the natural gas business of Exelon. This process would allow consideration of this issue to continue in a forum where the myriad of issues can be thoroughly explored, where all affected parties can fully participate, and where a reasoned decision reached on the issues.

III. CONCLUSION

For the reasons set forth above, as well as the reasons set forth in the Joint Petition, the Office of Consumer Advocate supports the Joint Petition and urges the ALJ and the Commission to approve the Joint Petition. The Joint Petition presents a comprehensive package of protections and benefits to PECO customers, Pennsylvania consumers and Pennsylvania based on the facts and circumstances of this case. The Joint Petition secures substantial, affirmative benefits and the OCA submits that approval would be in the public interest.

WHEREFORE, for the foregoing reasons, the Office of Consumer Advocate believes that the proposed Joint Petition for Settlement is in the public interest and in the best interest of PECO's ratepayers.

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September 14, 2005
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CERTIFICATE OF SERVICE

Joint Application of PECO Energy :
Company and Public Service :
Electric and Gas Company for : Docket No. A-110550F.0160
Approval of the Merger of Public :
Service Enterprise Group Incorporated :
with and into Exelon Corporation :

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

Dated this 14th day of September, 2005.

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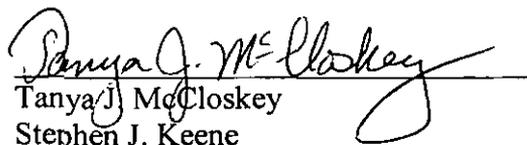
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COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

September 14, 2005

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

ORIGINAL

Re: Joint Application of PECO Energy Company and Public Service
Electric and Gas Company for Approval of the Merger of Public
Service Enterprise Group Incorporated with and into Exelon
Corporation

Docket No. A-110550F0160

Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the
Statement in Support of the Joint Petition for Settlement of the Office of Trial Staff
(OTS) in the above-captioned proceeding.

Copies are being served on all active parties of record.

Sincerely,

Kenneth L. Mickens
Senior Prosecutor
Office of Trial Staff

**DOCUMENT
FOLDER**

Enclosure

c: Hon. Marlane R. Chestnut (by overnight mail)
Parties of Record

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

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PENNSYLVANIA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

JOINT APPLICATION OF PECO :
ENERGY COMPANY AND PUBLIC :
SERVICE ELECTRIC & GAS : Docket No. A-110550F0160
COMPANY FOR APPROVAL OF :
THE MERGER OF PUBLIC :
SERVICE ENTERPRISE GROUP, :
WITH AND INTO EXELON CORP. :

**OFFICE OF TRIAL STAFF STATEMENT
IN SUPPORT OF JOINT PETITION
FOR SETTLEMENT**

TO ADMINISTRATIVE LAW JUDGE MARLANE R. CHESTNUT:

The Office of Trial Staff (“OTS”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutors, Kenneth L. Mickens and Robert V. Eckenrod, hereby respectfully submit that the terms and conditions of the foregoing Joint Petition for Settlement (“Joint Petition” or “Settlement”) are in the public interest and represent a fair, just, reasonable and equitable balance of the interests of PECO Energy Company (“PECO” or “Company”) and its customers. The parties to this Settlement (“Joint Petitioners”) conducted extensive discovery and negotiation and as a result, OTS, the Company and other designated active parties have agreed upon the terms embodied in the foregoing Settlement. This request is based upon OTS’ conclusion that the Settlement is in the public interest as supported by the following factors:

I. BACKGROUND

1. OTS was established under the provisions of Section 306 of the Public Utility Code, 66 Pa. C.S. § 306, in 1986 and charged with the representation of the public

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interest in proceedings relating to rates, rate-related services and application proceedings affecting the public interest held before the Commission. Consequently, in negotiated settlements, it is incumbent upon OTS to ensure that the public interest is served and to quantify to what extent amicable resolution of any such proceeding will benefit the public interest.

2. On February 4, 2005, this proceeding was initiated by the filing of the *Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated With and Into Exelon Corporation* (“Joint Application”).

3 On February 19, 2005, the Commission required that notice of the Joint Application be published in the *Pennsylvania Bulletin*, thereby allowing interested parties until March 7, 2005 to file protests and petitions to intervene. Ultimately, twenty-two parties filed protests or petitions to intervene. Additionally, OTS entered its appearance in the proceeding.

4. The on-the-record proceeding was assigned to Administrative Law Judge Marlane R. Chestnut (“ALJ”) and a Prehearing Conference was convened in Philadelphia on March 29, 2005.

5. Public Input hearings were held in Philadelphia on June 30, 2005, at which time a litigation schedule was agreed upon.

6. By Secretarial Letter dated July 15, 2005, the parties were directed to respond to a series of questions (“Directed Questions”) posed by Vice-chairman James H.

Cawley and Commissioner Bill Shane. This communication resulted in a revised litigation schedule.

7. Commencing in mid-May, the Joint Petitioners engaged in a collaborative process to address the issues raised by the Joint Application in an effort to resolve all areas of controversy.

8. Commission Rules and Regulations encourage the settlement of proceedings and, consequently, the parties convened frequent and extensive conferences and discussions during the course of this proceeding. These discussions ultimately resulted in the foregoing Joint Petition.

II. SETTLEMENT TERMS AND PUBLIC INTEREST

9. The specific terms of the Settlement are found at Paragraphs 14-61 of the Joint Petition. The OTS submits that the Settlement represents a balance of the interests of the Company's customers and the interests of PECO. Consequently, the Settlement, as proposed, is in the public interest and should be approved by the ALJ and the Commission for the following reasons:

a. The proposed Settlement requires that within approximately thirty days of the consummation of the merger, PECO will reduce its retail electric distribution rates by \$40.0 million annually from the levels that otherwise would be in effect pursuant to the Commission's Order approving the 2000 Unicom Merger Settlement, and the December 19, 2002 Order approving the roll-in to base rates of the effects of the Revenue Neutral Reconciliation Gross. The \$40.0 million distribution rate reduction is scheduled to remain in effect for two years after which the annual rate decrease will become \$20.0

million. The \$20.0 million rate reductions will remain in effect for an additional two years, thereby producing aggregate rate reductions over the four year period of \$120 million. In advancing its position, OTS advocated rate reductions in the amount of \$33.5 million per year for four years (a total of \$134 million), beginning January 1, 2007, so as to provide real, quantifiable benefits to PECO's ratepayers as a result of the proposed merger. This Settlement provides PECO's customers with a level of savings that comes very close to matching OTS' original litigation position and clearly represents a level of savings to PECO's ratepayers that otherwise might not have been obtainable had this proceeding been fully litigated.

b. Additionally, PECO has agreed to an extension of its transmission, distribution and generation rate caps through December 31, 2010. Obviously, this provision will provide the customers of PECO with a level of rate stability over the course of the next several years that they might not have obtained had the proceeding been fully litigated.

c. PECO has also agreed to participate in a separate fact-finding investigation, instituted at the Commission's discretion, following the consummation of the merger to examine the issues related to a potential consolidation of the operations of Philadelphia Gas Works ("PGW") with and into the natural gas distribution business of the merged company. OTS submits that the discussion of a merger of PGW gas operations into a shareholder-owned public utility should be considered in within the framework of a statewide collaborative, such as recommended by OTS in previous PGW proceedings. This Settlement ensures that, should such a collaborative process be

undertaken, all stakeholders will be allowed the opportunity to identify and properly address any issues arising out of any such proposed consolidation.

d. Finally, in response to specific OTS concerns, the Company has agreed to implement a number of corporate safeguards designed to further insulate PECO's customers from the heightened risks associated with Exelon Corporation's non-jurisdictional operations. In reviewing the merger proposal, OTS was particularly concerned that the Company had not set forth adequate regulatory insulation criteria to protect its customers from Exelon's non-jurisdictional operations. Therefore, in presenting its case-in-chief, OTS advocated the imposition of several conditions concerning the cost of capital to help further insulate Exelon's operations from PECO's operations. In accepting most of OTS' proposals, among other things, the Company has agreed to continue to maintain separate debt, guarantee that the cost of capital used in establishing PECO's rates shall not reflect any risk adjustment associated with its corporate parent and has agreed not to guarantee the debt or credit instruments of Exelon or any affiliate regulated by the Commission.

PECO has also agreed to notify the Commission of: (1) its intention to transfer more than 5 percent of PECO's retained earnings to Exelon over a six-month period at least 60 days prior to any such transfer; (2) its intention to declare a special cash dividend from PECO at least 30 days before declaring the dividend; and, (3) to identify its most recently quarterly common stock cash dividend payment from PECO within thirty days after declaring the dividend. Moreover, PECO has agreed to provide the Commission with access to all written information provided to common stock, bond or bond rating

analysts which directly or indirectly pertains to PECO or any affiliate that exercises influence or control over PECO. The imposition of these additional corporate safeguards are clearly in the public interest as they aid in insulating PECO and its customers from the non-jurisdictional operations of its parent and/or affiliates.

10. In addition to the foregoing reasons, based upon OTS' analysis of the filing and the present proposal, acceptance of this proposed settlement is in the public interest because resolution of this case by settlement rather than litigation will avoid the substantial time and expense involved in continuing to formally pursue all issues in this proceeding.

11. OTS further submits that, while not completely eliminating these costs, the acceptance of the foregoing Settlement will greatly reduce the need for any direct and cross-examination of witnesses, the preparation of main briefs, reply briefs, exceptions and reply exceptions, and the filing of possible appeals. The avoidance of litigation expense by settlement of this proceeding serves the interests of the Company, OTS and the customers.

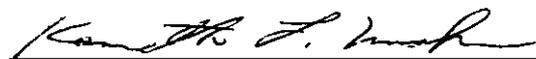
12. OTS' agreement to settle this case is made without any admission or prejudice to any position that OTS might adopt during subsequent litigation in the event the Settlement is rejected by the Commission or otherwise properly withdrawn by any of the Joint Petitioners.

13. If the ALJ recommends that the Commission adopt the Settlement as proposed, OTS has agreed to waive the filing of Exceptions. However, OTS has not waived its right to file Exceptions with respect to any modifications to the terms and

conditions of the settlement, or any additional matters that may be proposed by other parties to this proceeding or the ALJ in her Recommended Decision. OTS has also reserved the right to file Reply Exceptions to any Exceptions that may be filed by the Company or any other party to this proceeding.

WHEREFORE, the Commission's Office of Trial Staff represents that it supports the Settlement as being in the public interest and respectfully requests that the Administrative Law Judge and the Commission approve the foregoing Joint Petition, including all terms and conditions contained therein.

Respectfully submitted,



Kenneth L. Mickens
Robert V. Eckenrod
Prosecutors
Office of Trial Staff

Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, Pennsylvania 17105-3265
(717) 787-1976
Dated: September 14, 2005

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of PECO Energy Company :
and Public Service Electric and Gas :
Company for Approval of the Merger of : Docket No. A-110550F0160
Public Service Enterprise Group :
Incorporated with and into Exelon :
Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Statement in Support of the Joint Petition for Settlement** of the Office of Trial Staff, dated September 14, 2005, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below:

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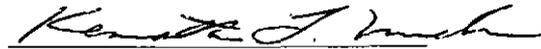
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Kenneth L. Mickens
Senior Prosecutor

Dated: September 14, 2005
Docket No. A-110550F0160



ORIGINAL

OFFICE OF SMALL BUSINESS ADVOCATE

Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

September 14, 2005

(717) 783-2525
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HAND DELIVERED

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

**Re: Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation
Docket No. A-110550F0160**

Dear Secretary McNulty:

I am delivering for filing the original plus three copies of the Statement of the Office of Small Business Advocate in Support of the Settlement Petition in the above captioned proceeding.

A copy has been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

DOCUMENT
FOLDER

Sincerely,

William R. Lloyd, Jr.
Small Business Advocate

Enclosures

cc: Hon. Marlane R. Chestnut
Administrative Law Judge

Parties of Record

Brian Kalcic

SECRETARY'S BUREAU
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE :
ELECTRIC AND GAS COMPANY FOR :
APPROVAL OF THE MERGER OF PUBLIC : Docket No. A-110550F0160
SERVICE ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :

**STATEMENT OF THE
OFFICE OF SMALL BUSINESS ADVOCATE
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

The Office of Small Business Advocate ("OSBA") is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50) to represent the interest of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission ("Commission").

On February 4, 2005, PECO Energy Company ("PECO") and Public Service Electric and Gas Company ("PSE&G") filed with the Commission their Joint Application for Approval of the Merger of Public Service Enterprise Group ("PSEG") with and into Exelon Corporation ("Exelon"). By their Joint Application, PECO and PSE&G requested the Commission's approval of the Proposed Merger under Chapters 11, 22, and 28 of the Public Utility Code, 66 Pa. C.S. Ch. 11, 22, and 28. In the alternative, they requested that the Commission issue a declaratory order to the effect that the Commission's approval of the Proposed Merger is not required.

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On March 2, 2005, the OSBA filed a Notice of Intervention and Protest (“Protest”) with respect to the Joint Application. In its Protest, the OSBA identified several issues of concern, including the following:

a. Whether the Proposed Merger would “affirmatively promote the ‘service, accommodation, convenience, or safety of the public’ in some substantial way,” as required by City of York v. Pennsylvania Public Utility Commission, 449 Pa. 136, 141, 295 A.2d 825, 828 (Pa. 1973);

b. Whether the Proposed Merger would impede the development of the electric retail market, thereby negatively impacting the price ratepayers must pay for electricity; and

c. Whether the Proposed Merger would impede competition in the wholesale market for electricity, thereby negatively impacting the retail price ratepayers must pay for electricity acquired by the default service provider pursuant to Section 2807(e)(3) of the Public Utility Code, 66 Pa. C.S. § 2807(e)(3).

To this point in the proceedings, the OSBA has filed the direct, rebuttal, surrebuttal, and supplemental testimony of OSBA witness Brian Kalcic. See, respectively, OSBA Statement No. 1, OSBA Statement No. 2, OSBA Statement No. 3, and OSBA Statement No. 4. The OSBA has also actively participated in the negotiations which have led to the filing on September 12, 2005, of the Joint Petition for Settlement (“Settlement”). The OSBA is a signatory to the Settlement.

The Settlement sets forth a comprehensive list of issues which were resolved through the negotiation process. The following specific issues were of particular significance to the OSBA in concluding that the Settlement is in the best interests of small business customers:

1. The Settlement provides rate relief to PECO's customers, thereby affording "affirmative public benefits," as required by York.

a. The Joint Application did not propose to flow any merger savings directly through to PECO's ratepayers. Instead, the Joint Application offered only the vague assertion that economies of scale resulting from the Proposed Merger "may give rise, over time, to lower rates than would otherwise be the case." PECO Statement No. 1, at 10. In contrast, the Settlement provides \$120 million in rate reductions. The Settlement also caps PECO's transmission and distribution rates through December 31, 2010, at the level in effect as of January 1, 2006.

b. In its electric restructuring proceeding at Docket No. R-00973953, PECO filed a cost of service study indicating that its small business class (Rate GS-General Service) was providing a rate of return of 11.18% in comparison to a system rate of return of only 9.44%. The Settlement mitigates this problem through the interclass allocation of the \$120 million in rate reductions.

2. By facilitating the Commission's work and acknowledging the Parties' rights under Section 2811 of the Public Utility Code, 66 Pa. C.S. § 2811, the Settlement addresses concerns expressed in the OSBA's Protest regarding the effect of the Proposed Merger on electric rates.

a. Section 2811(a) requires the Commission to "monitor the market for the supply and distribution of electricity to retail customers and take steps . . . to prevent anticompetitive or discriminatory conduct and the unlawful exercise of market power." Section 2811(b) provides for the Commission to "conduct an investigation of the impact on the proper

functioning of a fully competitive retail electricity market, including the effect of mergers, . . . and anticompetitive or discriminatory conduct affecting the retail distribution of electricity.”

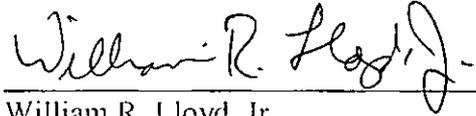
b. The Settlement explicitly recognizes the right of any party (including the OSBA) to request a Commission investigation when the party “reasonably believes that PECO’s affiliated generation company (or any other affiliated entity) has unlawfully exercised market power in any PJM market, or for any other reason as set forth in 66 Pa. C.S. § 2811.”

c. The Settlement also requires PECO to “file . . . annually for each of the years 2007, 2008, 2009, 2010, 2011 and 2012 a report addressing wholesale market prices and price trends in the Pennsylvania-New Jersey-Maryland Interconnection (‘PJM’) markets.” That report is to include “information regarding price differentials between PJM East and other PJM regions” as well as “other information necessary to assess prices and price trends in the PJM markets.” The OSBA anticipates that the report will assist the Commission in fulfilling the monitoring responsibility under Section 2811(a) and will assist the OSBA in determining whether to request a Commission investigation under Section 2811(b).

3. By resolving the issues of principal concern to the OSBA, the Settlement enables the OSBA to conserve its resources and avoid the uncertainties inherent in fully litigating those issues.

WHEREFORE, the OSBA respectfully requests that the Administrative Law Judge and the Commission approve the Settlement without modification.

Respectfully submitted,

A handwritten signature in cursive script, reading "William R. Lloyd, Jr.", written over a horizontal line.

William R. Lloyd, Jr.
Small Business Advocate

Carol F. Pennington
Assistant Small Business Advocate

Date: September 14, 2005

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PECO ENERGY :
COMPANY AND PUBLIC SERVICE :
ELECTRIC & GAS COMPANY FOR : DOCKET NO. A-110550F0160
APPROVAL OF THE MERGER OF PUBLIC :
SERVICE ENTERPRISE GROUP, INC., :
WITH AND INTO EXELON CORPORATION :

CERTIFICATE OF SERVICE

I certify that I am serving the Statement in Support of the Proposed Settlement in the above-captioned docket, on behalf of the Office of Small Business Advocate, by e-mail and overnight mail (unless otherwise indicated) upon the persons addressed below:

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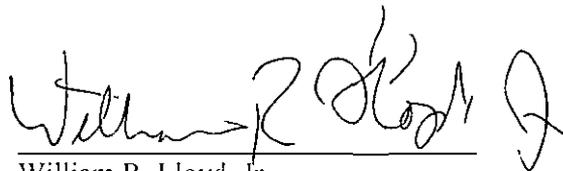
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William R. Lloyd, Jr.
Small Business Advocate

Date: September 14, 2005

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

September 14, 2005

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James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor, 7 North
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Harrisburg, PA 17120

Filed by Federal Express

DOCUMENT
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Re: Joint Application of PECO Energy Company and Public Service Electric and Gas
Company for Approval of the Merger of Public Service Enterprise Group
Incorporated with and into Exelon Corporation, Docket No. A-110550F0160

Dear Secretary McNulty:

Community Legal Services, Inc. represents Action Alliance of Senior Citizens of
Greater Philadelphia, the Association of Community Organizations for Reform Now
(ACORN) and Tenants' Action Group (TAG) (collectively "Action Alliance et al.") in the
above-captioned matter.

Enclosed please find for filing an original and three (3) copies of the Statement of
Action Alliance et al. in Support of the Joint Petition for Settlement in the above
proceeding. Copies are being served on the parties via e-mail and First Class U.S. Mail.

Very truly yours,

Jonathan M. Stein (5)

Jonathan M. Stein
Thu B. Tran
Philip A. Bertocci
George D. Gould

Counsel for Action Alliance et al.

cc: Certificate of Service
Administrative Law Judge Marlane Chestnut

Enclosures

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Joint Application of PECO Energy
Company and Public Service Electric and
Gas Company for Approval of the Merger
of Public Service Enterprise Group
Incorporated with and into Exelon
Corporation** : : **Docket No. A-110550F0160**

**STATEMENT OF ACTION ALLIANCE et al.
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

Action Alliance of Senior Citizens of Greater Philadelphia, the Association of Community Organizations for Reform Now, and the Tenants' Action Group (collectively "Action Alliance et al."), one of the signatory parties to the Joint Petition for Settlement in Docket No. A-110550F0160, through counsel Community Legal Services, Inc., find the terms and conditions of the Settlement to be in the public interest, and in support state as follows:

I. Background

This proceeding was initiated by the filing on February 4, 2005 of the Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger Of Public Service Enterprise Group Incorporated with and into Exelon Corporation (the "Joint Application"). On February 19, 2005, the Commission caused notice of the filing of the Joint Application to be published in the *Pennsylvania Bulletin*, which allowed interested parties until March 7, 2005 to file protests and petitions to intervene.

Action Alliance et al. filed a timely Protest on March 4, 2005, seeking to ensure that the Joint Applicants demonstrate that the proposed merger will affirmatively promote the public interest. In particular, Action Alliance et al. raised issues regarding PECO's Universal Service Programs. Action Alliance et al.'s Protest was recognized by the Administrative Law Judge in the above-captioned matter at the prehearing conference on March 29, 2005 and in the ALJ's prehearing order of March 31, 2005.

Action Alliance et al. filed the direct and surrebuttal testimony of Harry S. Geller on June 28, 2005 and August 26, 2005, respectively. Settlement discussions resulted in the Joint Petition for Settlement.

II. Terms and Conditions of Settlement

The Settlement improves upon PECO's existing Universal Service Programs by enhancing PECO's CAP Rate Program with a higher usage discount level and more customer friendly payment agreement practices, by providing for additional funds to and promotion of the Matching Energy Assistance Fund ("MEAF"), by expanding CAP¹ enrollment outreach, by providing outreach funding to community based organizations that serve low-income utility customers, by streamlining the CAP application and recertification process, and by providing additional training to community organizations about PECO's low-income programs.

For CAP customers, PECO agrees to increase the monthly usage levels eligible for discounts for customers taking service under CAP Rates "B," "C," "D" and "E" to 650 kWh effective for regular billing cycles beginning after January 1, 2007. This increase in the usage discount level from 500 kWh to 650 kWh is expected to improve significantly the affordability

¹ Customer Assistance Program ("CAP").

of PECO bills for many low-income customers. This increased discount is conservatively estimated to save CAP customers an additional \$4 million dollars a year.

PECO agrees to maintain its current practice of granting one payment arrangement to CAP customers who become delinquent. The Company will also make available an additional payment arrangement to CAP customers who become delinquent and who either (a) are transitioning from one CAP Rate level to another with a greater discount (e.g., from CAP Rate "C" to CAP Rate "B"); (b) have experienced "extenuating circumstances," as that term is defined in the Customer Assistance Program Rider of PECO's tariff; (c) incur increases greater than 30% of their monthly household expenses in non-discretionary costs essential to the customer's well-being; or (d) have experienced a material decline in household income. The payment arrangements shall consist of the current CAP payment plus \$5.00 per month for those customers on CAP Rates A, B and C and the current CAP payment plus \$15.00 per month for those customers on CAP Rates D and E. These payment arrangement provisions will provide much needed protection to low-income CAP customers who are prohibited by Act 201 from seeking PUC review of payment arrangements. Also, limiting the arrearage payments to \$5.00 and \$15.00 per month should decrease the chances of default on these new payment arrangements.

PECO agrees to provide \$500,000 per year in each of the years 2007, 2008, 2009 and 2010 to the Matching Energy Assistance Fund ("MEAF"), to be distributed for use to assist PECO customers in accordance with the allocation formula provided in the Settlement, in addition to any PECO matching of contributions and any reimbursement of administrative costs to the MEAF agencies. PECO also agrees to authorize an increase in maximum MEAF grants from \$500 to \$1000. With the increasing cost of energy, this additional MEAF funding and the

increased maximum grant will go a long way in preserving the life necessities of electric and gas service for many low-income families.

PECO agrees to include MEAF check-off options and bill inserts in customers' bills for contributions to MEAF, as provided in the Settlement. PECO's increased promotion of MEAF will lay the foundation for a return of MEAF funding levels to historic highs and beyond.

PECO commits to spend \$1.2 million (\$300,000 per year in each of the years 2007, 2008, 2009 and 2010) on additional CAP enrollment outreach, and to work with the LIURP Advisory Committee in the planning and implementation of such outreach program. This outreach will be directed toward those customers who may not know about PECO's CAP Rate program and who do not know about the special needs programs (including CAP Rates A, B and C). Action Alliance et al. expects that this additional CAP enrollment outreach effort will be an aggressive effort that will provide meaningful information to PECO's low-income customers so that all customers who qualify and wish to enroll will be enrolled in the proper CAP Rate.

For the purpose of CAP outreach and referrals, PECO agrees to provide \$0.4 million (\$100,000 per year in each of the years 2007, 2008, 2009 and 2010) to the Energy Coordinating Agency ("ECA") to be directed to Neighborhood Energy Centers ("NECs") in Philadelphia and to other Community Based Organizations ("CBOs") in the surrounding counties; and agrees to continue to reimburse 33% (up to a maximum of \$200,000 per year) of the annual administrative costs of the Utility Emergency Services Fund ("UESF") in each of the years 2007, 2008, 2009 and 2010. These actions constitute recognition by PECO that community based organizations such as the NECS, located in the neighborhoods of low-income utility customers, are natural partners for CAP outreach and referrals.

To better serve current CAP and CAP-eligible customers, PECO agrees to enhance its CAP application and recertification process. These measures will help to ensure that CAP-eligible customers will never be steered into unaffordable standard payment agreements instead of being referred to the CAP Rate Program. It is expected that CAP Rate application and recertification backlogs will no longer cause a CAP Rate customer or eligible customer to be terminated while awaiting a decision.

In addition to its current practice of providing training on an informal basis, PECO will conduct at least four training sessions annually in each of the years 2007, 2008, 2009 and 2010 to educate staff members of community organizations and healthcare providers such as NECs, CBOs and legal service organizations located in its service territory regarding the availability and operation of its CAP Rate Program (including CAP Rates A, B and C) and other programs intended to benefit low income customers. It became clear during the public input hearings in this proceeding that staff of community organizations, much less individual customers, were not adequately informed about PECO's CAP Rate Program and its special needs component (including CAP Rates A, B and C) in particular. It is expected that PECO will develop materials and conduct trainings that provide full explanations of the benefits of PECO's low-income programs and the procedures for enrolling and staying in the programs.

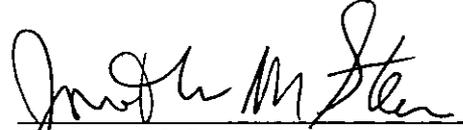
Finally, PECO will consider alternative LIURP treatment measures (to include but not limited to white reflective coating of roofs and solar hot water heaters), if approved by the Commission, among the various LIURP treatment options available for eligible customers.

III. Conclusion

For the foregoing reasons, Action Alliance et al. submits that the terms and conditions of the

Joint Petition for Settlement are in the public interest and should be approved.

Respectfully submitted,



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Thu B. Tran, Esquire
George D. Gould, Esquire

Attorneys for Action Alliance, et al.

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September 14, 2005

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CERTIFICATE OF SERVICE

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Dated: September 14, 2005

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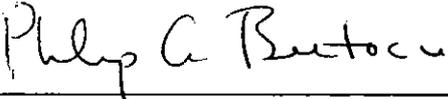
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PHILIP A. BERTOCCHI

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160		YES	NO
		Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group with and into Exelon Corporation	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
		Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
		Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia	Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
Date:	September 15, 2005			
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	DATE:		
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:	<i>Hearing cancelled</i>	

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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	City State Zip	
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	City State Zip	
Telephone:	E-mail Address:	Fax Number:

Check this box if additional parties or attendees appear on back of form.

9/14/05 *elp*

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

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VIA FEDERAL EXPRESS

September 16, 2005

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SEP 16 2005

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Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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Harrisburg, PA 17120

DOCUMENT
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Joint Application of PECO Energy Company and Public Service Electric and Gas Company For Approval of the Merger of Public Service Enterprise Group Incorporated With and Into Exelon Corporation; Docket No. A-110550F0160

Dear Secretary McNulty:

Enclosed for filing in the above-captioned proceeding please find an original and three (3) copies of the Stipulation Regarding Market Power Issues between PPL Electric Utilities Corporation, PECO Energy Company and Public Service Electric and Gas Company.

I have enclosed an extra copy of the Stipulation. Please time-stamp and return in the enclosed envelope.

I have served a copy of this document on all parties to this proceeding and the Administrative Law Judge, as shown on the attached Certificate of Service.

Respectfully submitted,

Jesse A. Dillon

Enclosures

cc: ALJ Marlane R. Chestnut
Certificate of Service

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BEFORE THE

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PENNSYLVANIA PUBLIC UTILITY COMMISSION SEP 16 2005

JOINT APPLICATION OF PECO : PA PUBLIC UTILITY COMMISSION
ENERGY COMPANY AND PUBLIC : SECRETARY'S BUREAU
SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE :
MERGER OF PUBLIC SERVICE : DOCKET NO. A-110550F0160
ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :
:

STIPULATION REGARDING MARKET POWER ISSUES

WHEREAS, on September 12, 2005 PECO Energy Company ("PECO") and Public Service Electric and Gas Company ("PSE&G") (collectively, the "Joint Applicants") filed, on behalf of themselves and a number of other parties to this proceeding, a Joint Petition for Settlement ("Joint Petition"); and

WHEREAS, the PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL University Park, LLC; Lower Mount Bethel Energy, LLC and PPL Susquehanna, LLC (collectively, the "PPL Companies") are not parties to the Joint Petition; and

WHEREAS, the PPL Companies submitted direct and surrebuttal testimony in this proceeding by Joseph P. Kalt, Ph.D., raising issues regarding the impact of the merger on competition in electricity markets ("PPL's market power issues"); and

WHEREAS, on September 12, 2005, Administrative Law Judge Marlane R. Chestnut issued Prehearing Order #7, which, among other things, confirmed the cancellation of the hearing dates in this proceeding scheduled for September 12, 13, 15 and 16, 2005, revised the order of certain non-PPL witnesses scheduled to appear during the remaining hearing dates in this proceeding, and established a schedule for filing testimony and statements in support of and in opposition to the Joint Petition;

NOW THEREFORE, it is hereby stipulated and agreed:

1. PPL's market power issues have not been specifically addressed by the Joint Petition.

2. In accordance with the procedural schedule established by the Administrative Law Judge, the PPL Companies shall have a full opportunity to cross-examine the testimony presented in this proceeding by the Joint Applicants with respect to PPL's market power issues, including the testimony presented by William H. Hieronymus, Ph.D. and Jack Crowley, and the Joint Applicants shall have a full opportunity to cross-examine the testimony presented by Joseph P. Kalt, Ph.D.

3. Both the Joint Applicants and the PPL Companies shall have a full opportunity, in accordance with the procedural schedule established by the Administrative Law Judge, to submit briefs and reply briefs addressing PPL's market power issues.

4. Both the Joint Applicants and the PPL Companies shall have an opportunity, as appropriate and as ordered by the Commission, to file exceptions

and reply exceptions to an initial decision by the Administrative Law Judge in this proceeding addressing PPL's market power issues.

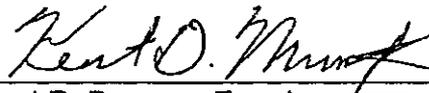
5. The Joint Applicants will not argue that the Joint Petition precludes either the Administrative Law Judge or the Commission from making a determination on the merits of PPL's market power issues, provided, however, that Joint Applicants may argue that the evidence and argument presented by the PPL Companies does not warrant granting relief beyond that already provided for in the Joint Petition.

Entered into this 15th day of September, 2005.



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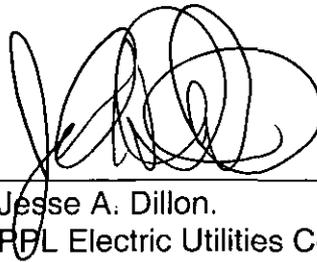
For Public Service Electric and Gas
Company



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Attorneys for PPL Electric Utilities
Corporation

So Ordered:

Administrative Law Judge

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PECO
ENERGY COMPANY AND PUBLIC
SERVICE ELECTRIC AND GAS
COMPANY FOR APPROVAL OF THE
MERGER OF PUBLIC SERVICE
ENTERPRISE GROUP
INCORPORATED WITH AND INTO
EXELON CORPORATION**

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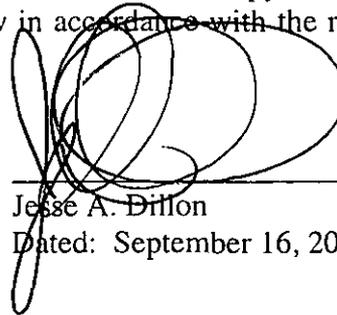
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SEP 16 2005

CERTIFICATE OF SERVICE

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

I hereby certify that on September 16, 2005, I have served a copy of the foregoing document upon the active participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant):



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OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160		YES	NO
		Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Case Name:	Joint Application of PECO Energy Company and	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Public Service Electric and Gas Company for Approval of the		Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
Merger of Public Service Enterprise Group with and into Exelon		Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
Corporation		Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia	Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
Date:	September 16, 2005			
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
		DATE:		
Reporting Firm:	Commonwealth Reporting	Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		
		<i>Hearing cancelled</i>		

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Check this box if additional parties or attendees appear on back of form.

9/14/05 elp

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

SEP 19 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Joint Application of PECO Energy Company :
and Public Service Electric & Gas Company :
for Approval of the Merger of Public Service : Docket No. A-110550F0160
Enterprise Group with and into Exelon Corp. :

**STATEMENT OF THE CITY OF PHILADELPHIA
IN OPPOSITION TO APPROVAL OF MERGER
BASED SOLELY ON TERMS OF JOINT PETITION FOR SETTLEMENT**

For the reasons outlined herein, the City of Philadelphia (the "City") respectfully urges the Public Utility Commission to reject the proposed merger of Public Service Enterprise Group ("PSEG") into Exelon Corporation ("Exelon"), as sought in this proceeding by their respective subsidiaries Public Service Electric & Gas Company ("PSE&G") and PECO Energy Company ("PECO") (collectively, the "Joint Applicants"), if the terms are to be solely those outlined in the Joint Petition for Settlement ("Settlement"). While the Settlement would offer some modest short-term benefits, those benefits are insufficient in a few respects, and would be outweighed by the long-term risks of the merger due to the likely increase in market power and the ability to manipulate it in the longer term that the merged company, Exelon Electric & Gas ("EEG"), would enjoy.

A. Competitive Markets

Paul Carpenter and others have proffered compelling testimony that the merger would create undue ability for EEG to abuse market power, especially in the vertical gas/electricity market, such that it is likely that EEG could prevent customers from enjoying the benefits of competition. As noted in the stipulation filed by PECO, PSE&G, and the PPL Companies on September 16, 2005, the proposed Settlement would not address this at all. Instead, PECO would have the Commission accept minor concessions that would not address the problem of

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market power except by pretending it did not exist, or could be dealt with later (as if the Commission could in fact order the undoing of a merger).¹

The Settlement is inadequate as to market power. PECO's proposed reporting requirements would cost nothing and mean little more. PECO and its affiliates promise nothing with respect to actual market power. As shown in the as yet unrefuted testimony of Paul Carpenter and others, the merger would create excessive market power in the relevant electricity market, especially in view of EEG's prospective dominance of the gas market.² Even if the market concentration were marginally permissible, which appears not to be the case, the record is clear that EEG will have assured itself a permanently dominant position in the regional electric market, since the market concentration would be such as to impede further mergers. Therefore, the Commission should disapprove the merger without additional substantial steps to limit EEG's market power.³

B. Consolidation of Natural Gas Operations

The Settlement would call for a separate fact-finding investigation after the consummation of the merger "to examine issues related to a potential consolidation of the operations of PGW with and into the natural gas distribution business of EEG." This would create "facts on the ground" before deciding an issue of great interest to the City and others within PECO's service territory, which could include ownership other than by EEG or the City. The Settlement, or at least the merger, should not impede consideration of this matter, but should instead provide meaningful progress towards this important potential benefit to the public.

¹ Indeed, the Settlement would require the suppression of previously proffered testimony as to the extent and the dangers of the market power the proposed merger would create.

² The United States Department of Justice has yet to rule on the permissibility of the merger. The Federal Energy Regulatory Commission has granted rehearing and thus its initial determination is not final.

³ The Commission could, for example, investigate and determine the quantity of upstream natural gas pipeline capacity that EEG companies must release to the market in order to prevent the exertion of vertical market power, especially in the winter peak months of natural gas consumption.

C. Rate Reductions and Rate Caps

Under the Settlement, PECO has agreed to reduce its retail electric distribution rates by an average of one-tenth of a cent per kilowatt-hour for two years, then to raise those rates by an average of one-twentieth of a cent per kilowatt-hour for the following two years. The Joint Applicants contend that this will save consumers \$120 million over four years, dwarfing the \$45 million in net regulated “synergy savings” Exelon originally foresaw within Pennsylvania during that time. PECO further promises not to seek to increase rates over that time period, though it is unclear on what basis it would be entitled to a rate increase in any event. While the City would certainly welcome what it calculates as rate reductions in excess of \$1 million over four years, the average residential consumer would save only about \$1.26 a month (700 kW-hr x \$.0018/kW-hr) for the first two years, 63 cents a month for the following two years, based on average customer usage of 700 kW-hr per month for Rate R. This does not balance out the increase in market power EEG would enjoy, especially post-2011, as discussed above.

D. Reliability, Customer Service, and Safety

As a public utility, PECO is obligated to provide safe and reliable service to all customers within its service territory. The Commission already has the authority, with or without the Settlement, to enforce that legal obligation. The City welcomes PECO’s agreement to meet with it regularly to review reliability issues within the City. Effective review, of course, will require sufficient data to assess patterns and variations in service reliability. PECO also proposes to commit to a modest tightening of reliability standards – so modest, in fact, that it could meet those standards with lesser average reliability than it now provides within the City.

The City applauds PECO’s commitment to continue to make reliability and safety metrics a part of its executive compensation criteria for managers and supervisors, but notes that this is not a change. Moreover, PECO’s failure to commit not to outsource more and more work means that fewer and fewer direct supervisors will be potential recipients of such incentive compensation.

E. Universal Service

The City applauds the work of the settling intervenors in securing PECO's provisional commitment to raise the Customer Assistance Program (CAP) usage cap for a number of low-income customers. PECO also promises temporary outreach funding for this program and short-term contributions towards a program that helps those in need pay their bills to PECO. Unfortunately, those programs end in 2010, leaving consumers most vulnerable when EEG would have the greatest ability to utilize its increased market power to the public detriment.

F. Environmental and Economic Development Provisions

PECO proposes to make a modest short-term contribution to PEDDA, which may use up to 95% of the funds outside the PECO service territory,⁴ and an even more modest one-time contribution to the Sustainable Development Fund. The net metering and interconnection commitment is meaningless unless the Commission agrees in a separate proceeding – in which case PECO would have had to comply irrespective of the merger or Settlement.

Moreover, instead of the very substantial economic development benefits proposed by two Commissioners and supported by testimony by the City and others, the Settlement would require PECO to contribute only \$2 million a year for only four years, and would permit the primary benefits to be directed outside PECO's service territory. PECO customers would be paying for this, since the same money could otherwise have been directed to their direct benefit. There is no indication they will receive substantial benefits in return. Nor does the Settlement require PECO to cooperate or coordinate its economic development incentives with the Commonwealth, the City, or any of the other numerous municipalities within PECO's service territory.

The Commission should instead require the set-aside of virtually divested power for use by the City and other counties, working with the Commonwealth, as the City has testified.

⁴ Under paragraph 38 of the Settlement, projects must be "of benefit to the PECO service territory," rather than "of direct benefit," except that \$125,000 per year must be used "in PECO's service territory."

G. Corporate Protections

The Settlement would provide modest protections against EEG's use of PECO's assets and credit for unregulated entities. It would not restrict EEG from transferring all of PECO's retained earnings via regular dividend, subject only to retrospective notice. PECO would have to give one-time notice to the Office of Trial Staff of the accounting controls and protocols it adopts concerning the pricing of transactions with its affiliates, but would essentially appear able to change or violate those protocols at any time. PECO would agree not to argue "that increases in the price of purchased power are outside the control of PECO simply because the purchase is from . . . [an] affiliate" – but could still argue that it could not control prices it paid EEG, which it likely could not. The Settlement would attempt to make clear that PECO must cause the production to certain State offices of the records and personnel of certain of its unregulated affiliates, but the details of this provision appear to promise relatively little.

The Commission could address these problems much more effectively by limiting EEG's potential market power.

H. Corporate and Community Presence

The contingent commitment to continue charitable giving and sponsorships at \$3 million per year for four years does not offer any public benefit over the status quo, and indeed might permit PECO to shift millions of dollars of historic support away from the City. This would not be in the public interest. Nor would it be in the public interest to have all such commitments cease precisely when deregulation is complete. To benefit the public, PECO should require charitable and civic contributions within the City alone of more than \$3 million per year through at least 2014.

PECO has committed to maintaining its corporate headquarters for its distribution business in Philadelphia only through December 31, 2010, which, with due respect to the argument of the Office of the Consumer Advocate, is not the limit of "the foreseeable future." The public interest requires no less a commitment than PECO made when merging into Unicom

in 2000, *i.e.*, eight years. The Commission should disapprove the merger without an enforceable commitment to maintain PECO's headquarters in the City through at least 2014.

I. Staffing

The Settlement would forbid PECO from reducing field forces for any reason through 2010. PECO's other proposed commitments in this area would be largely illusory, since it would be necessary to prove that a reduction was "as a result of the merger" in order to establish a violation, and PECO and its affiliates could otherwise reduce employment for any reason. Moreover, the Settlement would appear to impose no limits on reductions in employment by PECO's affiliates, on PECO's ever-increasing use of contract employees (with lower salaries and benefits, and corresponding lower taxes, which harms the public), or on future employment reductions by PECO itself. The promised "synergy savings" by eliminating up to 100 positions in the City would directly cost the City about \$295,000 a year in annual wage taxes alone, based on the average PECO employee's current salary of \$72,482 per year and an average current wage tax rate of 4.0754%. This would be a real loss even if PECO were simply foregoing filling currently vacant or soon-to-be-vacated positions, else there would be no "synergy savings." The actual amount would be significantly higher, because PECO affiliates would be likely to eliminate certain other positions that are or would be filled by City residents subject to the wage tax. Other communities and the Commonwealth would also lose such revenues; and the resulting reduced spending by employees would have similar consequences in the City and elsewhere.

If the Commission does approve the merger, it should require minimum staffing levels post-deregulation; should maintain the current share of full- and part-time employment within the City, ensuring sufficient employment within the City itself; and should require PECO to bear the burden of proving that any reduction in force over 100 at PECO and 250 within Exelon has nothing to do with the merger.

J. Recovery of Nuclear Costs

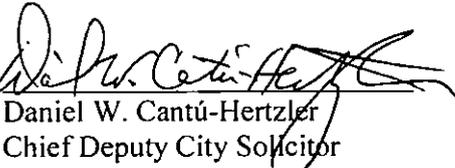
The Settlement provides that PECO ratepayers will not pay certain costs relating to PSEG's nuclear plants. This provision prevents public detriment but conveys no affirmative benefit to the public.

Conclusion

The proposed Settlement is generally a positive step but is insufficient. For the reasons set forth above and in prefiled testimony of the settling intervenors and others, the Commission should disapprove the proposed merger, absent substantial further enforceable commitments by PECO and its regulated and unregulated affiliates, or corresponding orders by the Commission, to ensure that the merger will provide substantial benefits to the public overall in the long term. Alternatively, the Commission should hold the Settlement in abeyance while the Applicants and Intervenors attempt to reach agreement as to specific conditions and deadlines to enter into an expedited process to address the market power and natural gas consolidation issues.

Respectfully Submitted,

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September 19, 2005

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOINT APPLICATION OF PECO
ENERGY COMPANY AND PUBLIC
SERVICE ELECTRIC AND GAS
COMPANY FOR APPROVAL OF
THE MERGER OF PUBLIC
SERVICE ENTERPRISE GROUP
WITH AND INTO EXELON
CORPORATION

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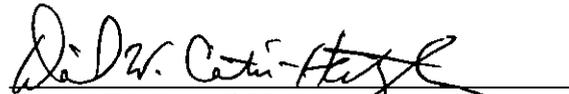
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: **Joint Application of PECO Energy Company and Public Service Electric and Gas Company For Approval of the Merger of Public Service Enterprise Group Incorporated With and Into Exelon Corporation; Docket No. A-110550F0160**

DOCUMENT
FOLDER

Statement of the PPL Companies Regarding the Joint Petition for Settlement

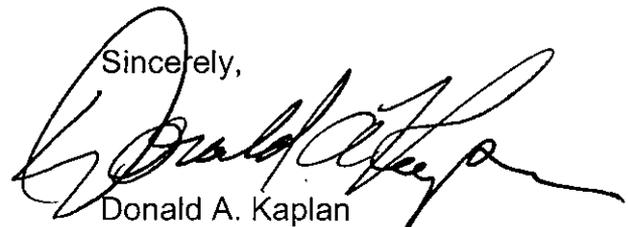
Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the Statement of the PPL Companies Regarding the Joint Petition for Settlement in the above-captioned proceeding.

Copies of this statement are being served upon all of the parties to this proceeding in accordance with the attached certificate of service.

If you should have any questions regarding the enclosed statement, please contact the undersigned.

Sincerely,



Donald A. Kaplan
Attorney for the PPL Companies

Enclosure

cc: Hon. Marlane R. Chestnut (by overnight mail)
Official Service List

146

ORIGINAL RECEIVED
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
SEP 19 2005

JOINT APPLICATION OF PECO
ENERGY COMPANY AND PUBLIC
SERVICE ELECTRIC AND GAS
COMPANY FOR APPROVAL OF THE
MERGER OF PUBLIC SERVICE
ENTERPRISE GROUP
INCORPORATED WITH AND INTO
EXELON CORPORATION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKET NO. A-110550F0160

DOCUMENT
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**STATEMENT OF THE PPL COMPANIES
REGARDING THE JOINT PETITION FOR SETTLEMENT**

Pursuant to Prehearing Order #7 issued by Administrative Law Judge Marlane R. Chestnut on September 12, 2005, PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL University Park, LLC; Lower Mount Bethel Energy, LLC and PPL Susquehanna, LLC (collectively, the "PPL Companies") submit this Statement Regarding the Joint Petition for Settlement ("Joint Petition") filed by PECO Energy Company ("PECO") and Public Service Electric and Gas Company ("PSE&G") (collectively, the "Joint Applicants"), on behalf of themselves and a number of other parties to this proceeding on September 12, 2005.

According to the Joint Petition, it purports, among other things, to: (i) reduce PECO's retail electric distribution rates; (ii) cap PECO's retail electric transmission and distribution charges through December 31, 2010; (iii) preclude

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PECO from seeking future rate recovery of expenses attributable to achieving merger-related savings; (iv) maintain and/or improve PECO system reliability and customer service; (v) enhance PECO's electric universal service programs; (vi) supplement PECO's support for energy efficiency and renewable energy programs; (vii) adopt several corporate structure protections to insulate retail customers from the risks of affiliates not regulated by the Commission; (viii) require a continued PECO corporate presence in Southeastern Pennsylvania; and (ix) foster various economic development efforts.¹

The PPL Companies submitted direct and surrebuttal testimony in this proceeding by Joseph P. Kalt, Ph.D.,² demonstrating that the proposed merger, even with the mitigation measures proposed by the Joint Applicants, could permit the merged entity to exercise market power in wholesale electricity markets. This, in turn, could have a serious impact on competition not only in those wholesale markets, but also in retail electricity markets in Pennsylvania.

Based on the discussion during the telephonic prehearing conference held in this matter on September 9, 2005,³ the PPL Companies and Joint Applicants

¹ Joint Petition at 2-3.

² See Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated With and Into Exelon Corporation, Docket No. A-110550F0160, PPL Statement No. 1, Direct Testimony of Joseph P. Kalt, Ph.D. on behalf of the PPL Companies (filed June 28, 2005); Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated With and Into Exelon Corporation, Docket No. A-110550F0160, PPL Statement No. 1-SR, Surrebuttal Testimony of Joseph P. Kalt, Ph.D. on behalf of the PPL Companies (filed Aug. 26 2005).

³ Tr. 344-45.

entered into a "Stipulation Regarding Market Power Issues" ("Stipulation"), which was filed with the Commission on September 16, 2005. In the Stipulation, the PPL Companies and the Joint Applicants have agreed that the Joint Petition does not specifically address the market power issues raised by the PPL Companies.⁴ The Stipulation further provides, among other things, that the PPL Companies shall have a full opportunity to cross-examine the testimony presented by the Joint Applicants with respect to the market power issues raised by the PPL Companies and that the Joint Applicants shall have a full opportunity to cross-examine the testimony presented by Dr. Kalt. Both the Joint Applicants and the PPL Companies shall have a full opportunity, in accordance with the procedural schedule established by the Administrative Law Judge, to submit briefs and reply briefs addressing these market power issues.⁵

As the Joint Petition does not specifically address the market power issues raised by the PPL Companies, the PPL Companies neither support nor oppose it. Rather, the PPL Companies intend to present their case that the Commission must specifically address the potential of the merged entity to exercise market power in accordance with its responsibilities and authority under the laws of the Commonwealth. As agreed to by the Joint Applicants in the Stipulation, the Joint Petition does not preclude either the Administrative Law

⁴ Stipulation at ¶ 1. A copy of that stipulation is attached to this Statement.

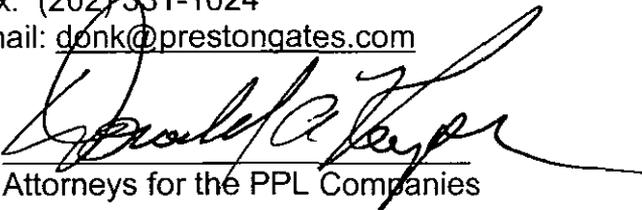
⁵ *Id.* at ¶¶ 2-3.

Judge or the Commission from making a determination on the merits of the market power issues raised by the PPL Companies.⁶

Respectfully submitted,

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By 
Attorneys for the PPL Companies

September 19, 2005

⁶ *Id.* at ¶ 5.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ATTACHMENT

Stipulation Regarding Market Power Issues

Jesse A. Dillon
Senior Counsel

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VIA FEDERAL EXPRESS

September 16, 2005

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Joint Application of PECO Energy Company and Public Service Electric and Gas Company For Approval of the Merger of Public Service Enterprise Group Incorporated With and Into Exelon Corporation; Docket No. A-110550F0160

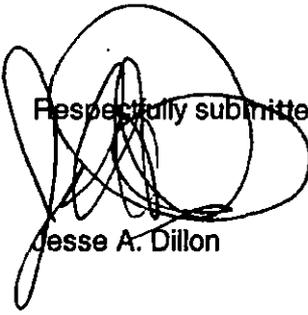
Dear Secretary McNulty:

Enclosed for filing in the above-captioned proceeding please find an original and three (3) copies of the Stipulation Regarding Market Power Issues between PPL Electric Utilities Corporation, PECO Energy Company and Public Service Electric and Gas Company.

I have enclosed an extra copy of the Stipulation. Please time-stamp and return in the enclosed envelope.

I have served a copy of this document on all parties to this proceeding and the Administrative Law Judge, as shown on the attached Certificate of Service.

Respectfully submitted,


Jesse A. Dillon

Enclosures

cc: ALJ Marlane R. Chestnut
Certificate of Service

BEFORE THE

RECEIVED

PENNSYLVANIA PUBLIC UTILITY COMMISSION

SEP 19 2005

JOINT APPLICATION OF PECO
ENERGY COMPANY AND PUBLIC
SERVICE ELECTRIC AND GAS
COMPANY FOR APPROVAL OF THE
MERGER OF PUBLIC SERVICE
ENTERPRISE GROUP
INCORPORATED WITH AND INTO
EXELON CORPORATION

:
:
:
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:
:

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKET NO. A-110550F0160

STIPULATION REGARDING MARKET POWER ISSUES

WHEREAS, on September 12, 2005 PECO Energy Company ("PECO") and Public Service Electric and Gas Company ("PSE&G") (collectively, the "Joint Applicants") filed, on behalf of themselves and a number of other parties to this proceeding, a Joint Petition for Settlement ("Joint Petition"); and

WHEREAS, the PPL Electric Utilities Corporation; PPL EnergyPlus, LLC; PPL Brunner Island, LLC; PPL Holtwood, LLC; PPL Martins Creek, LLC; PPL Montour, LLC; PPL University Park, LLC; Lower Mount Bethel Energy, LLC and PPL Susquehanna, LLC (collectively, the "PPL Companies") are not parties to the Joint Petition; and

WHEREAS, the PPL Companies submitted direct and surrebuttal testimony in this proceeding by Joseph P. Kalt, Ph.D., raising issues regarding the impact of the merger on competition in electricity markets ("PPL's market power issues"); and

WHEREAS, on September 12, 2005, Administrative Law Judge Marlane R. Chestnut issued Prehearing Order #7, which, among other things, confirmed the cancellation of the hearing dates in this proceeding scheduled for September 12, 13, 15 and 16, 2005, revised the order of certain non-PPL witnesses scheduled to appear during the remaining hearing dates in this proceeding, and established a schedule for filing testimony and statements in support of and in opposition to the Joint Petition;

NOW THEREFORE, it is hereby stipulated and agreed:

1. PPL's market power issues have not been specifically addressed by the Joint Petition.
2. In accordance with the procedural schedule established by the Administrative Law Judge, the PPL Companies shall have a full opportunity to cross-examine the testimony presented in this proceeding by the Joint Applicants with respect to PPL's market power issues, including the testimony presented by William H. Hieronymus, Ph.D. and Jack Crowley, and the Joint Applicants shall have a full opportunity to cross-examine the testimony presented by Joseph P. Kalt, Ph.D.
3. Both the Joint Applicants and the PPL Companies shall have a full opportunity, in accordance with the procedural schedule established by the Administrative Law Judge, to submit briefs and reply briefs addressing PPL's market power issues.
4. Both the Joint Applicants and the PPL Companies shall have an opportunity, as appropriate and as ordered by the Commission, to file exceptions

and reply exceptions to an initial decision by the Administrative Law Judge in this proceeding addressing PPL's market power issues.

5. The Joint Applicants will not argue that the Joint Petition precludes either the Administrative Law Judge or the Commission from making a determination on the merits of PPL's market power issues, provided, however, that Joint Applicants may argue that the evidence and argument presented by the PPL Companies does not warrant granting relief beyond that already provided for in the Joint Petition.

Entered into this 15th day of September, 2005.



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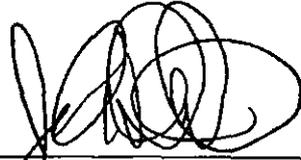
For Public Service Electric and Gas
Company



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Attorneys for PPL Electric Utilities
Corporation

So Ordered:

Administrative Law Judge

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SEP 19 2005

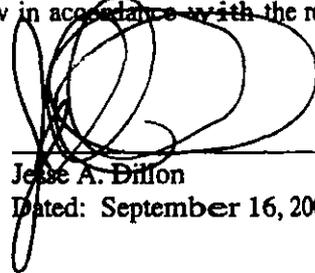
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

JOINT APPLICATION OF PECO :
ENERGY COMPANY AND PUBLIC :
SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE : DOCKET NO. A-110550F0160
MERGER OF PUBLIC SERVICE :
ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :

CERTIFICATE OF SERVICE

I hereby certify that on September 16, 2005, I have served a copy of the foregoing document upon the active participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant):



Jesse A. Dillon

Dated: September 16, 2005

VIA FIRST CLASS MAIL

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RECEIVED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SEP 19 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

JOINT APPLICATION OF PECO :
ENERGY COMPANY AND PUBLIC :
SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE :
MERGER OF PUBLIC SERVICE :
ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :

DOCKET NO. A-110550F0160

CERTIFICATE OF SERVICE

I hereby certify that I have this 19th day of September 2005 served a copy of the foregoing Statement of the PPL Companies Regarding the Joint Petition for Settlement, upon the active participants listed below by electronic delivery and overnight mail:

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Date: September 19, 2005



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CHARLES E. THOMAS
(1913 - 1998)

September 20, 2005

BY EMAIL AND OVERNIGHT DELIVERY

Honorable Marlane R. Chestnut
Administrative Law Judge
Pennsylvania Public Utility Commission
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130

RECEIVED
05 SEP 21 AM 9:43
PENNSYLVANIA
SECRETARY'S BUREAU

In re: Docket No. A-110550F0160
Joint Application of PECO Energy and Public Service Electric and Gas Company

Dear Judge Chestnut:

Enclosed in connection with the above matter is Philadelphia Gas Works ("PGW") Statement No. 1-S, containing the Supplemental Testimony of PGW witness Paul R. Carpenter in opposition to the Joint Settlement Petition which has been filed in the proceeding.

Copies of PGW Statement No. 1-S are being served upon the parties to the proceeding in accordance with the attached certificate of service.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By


Charles E. Thomas, Jr.

cc: Certificate of Service (w/encl)
Denise Adamucci, Esquire (w/encl.)
Paul Carpenter (w/encl.)
James J. McNulty, Secretary (w/o encl.)

050920-Chestnut.wpd

DOCUMENT
FOLDER

**Before The
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF PECO ENERGY : Docket No. A-110550F0160
COMPANY AND PUBLIC SERVICE :
ELECTRIC AND GAS COMPANY FOR :
APPROVAL OF THE MERGER OF :
PUBLIC SERVICE ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :**

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of September, 2005, served a true and correct copy of PGW Statement No. 1-S, upon the persons and in the manner set forth below:

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DOCKETED
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September 22, 2005

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SEP 22 2005

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Via UPS Overnight

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, Pennsylvania 17120

Re: Joint Application of PECO Energy Company and Public Service Electric
and Gas Company for Approval of the Merger of Public Service
Enterprise Group Incorporated with and into Exelon Corporation
Docket No. A-110550F0160

Dear Secretary McNulty:

Enclosed herewith for filing in the above captioned proceeding are an original and three (3) copies of the Stipulation Regarding Market Power Issues Between PECO Energy Company, Public Service Electric and Gas Company and FirstEnergy Companies (Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and FirstEnergy Solutions Corp.). Please note it has been executed in counterparts.

I have served a copy of this document on all parties to this proceeding and the Administrative Law Judge as shown on the attached Certificate of Service.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER LLP



W. Edwin Ogden

Enclosures
WEO:flw

c: Administrative Law Judge Marlane R. Chestnut
As per Certificate of Service

95

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SEP 22 2005

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Joint Application of PECO Energy :
Company and Public Service Electric :
and Gas Company for Approval of : Docket No. A-110550F0160
the Merger of Public Service Enterprise :
Group Incorporated with and into Exelon :
Corporation :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of FirstEnergy Companies' Stipulation upon the persons and in the manner indicated below in accordance with the requirements of 52 Pa. Code § 1.54.

Service by UPS Overnight, postage prepaid, addressed as follows:

ALJ Marlane R. Chestnut
Pennsylvania Public Utility Commission
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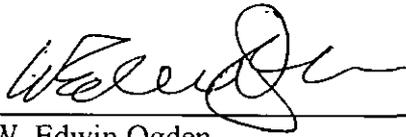
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Dated: September 22, 2005



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Attorneys for Pennsylvania Power Company,
Metropolitan Edison Company, Pennsylvania
Electric Company and FirstEnergy Solutions
Corp.

BEFORE THE

RECEIVED

PENNSYLVANIA PUBLIC UTILITY COMMISSION SEP 22 2005

JOINT APPLICATION OF PECO :
ENERGY COMPANY AND PUBLIC :
SERVICE ELECTRIC AND GAS :
COMPANY FOR APPROVAL OF THE :
MERGER OF PUBLIC SERVICE :
ENTERPRISE GROUP :
INCORPORATED WITH AND INTO :
EXELON CORPORATION :

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKET NO. A-110550F0160

DOCUMENT
FOLDER

DOCKETED PETITION REGARDING MARKET POWER ISSUES
SEP 27 2005

WHEREAS, on September 13, 2005 PECO Energy Company ("PECO") and Public Service Electric and Gas Company ("PSE&G") (collectively, the "Applicants") filed, on behalf of themselves and a number of other parties to this proceeding, a Joint Petition for Settlement ("Joint Petition"); and

WHEREAS, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and FirstEnergy Solutions Corp. (collectively, the "FirstEnergy Companies") are not parties to the Joint Petition; and

WHEREAS, the FirstEnergy Companies submitted direct, supplemental and surrebuttal testimony in this proceeding, raising issues regarding the impact of the merger on competition in electricity markets ("FirstEnergy's market power issues"); and

WHEREAS, on September 12, 2005, Administrative Law Judge Marlane R. Chestnut (the "ALJ") issued Prehearing Order #7, which, among other things, cancelled the hearing dates in this proceeding scheduled for September 12, 13, 14, 15 and 16, 2005,

revised the order of witnesses scheduled to appear during the remaining hearing dates in this proceeding, and established a schedule for filing testimony and statements in support of and in opposition to the Joint Petition;

NOW THEREFORE, it is hereby stipulated and agreed:

1. FirstEnergy's market power issues have not been specifically addressed by the Joint Petition.

2. The Applicants and the FirstEnergy Companies have agreed that: the FirstEnergy Companies will not cross examine the Applicants' witnesses, and stipulate to the admission into evidence of all of the Applicants' testimony; and, the Applicants will not cross examine the FirstEnergy Companies' witnesses, and stipulate to the admission into evidence of all of the FirstEnergy Companies' testimony, as identified below for purposes of paragraph 4 of Prehearing Order #7:

- Met-Ed/Penelec/Penn Power Statement No. 1;
- Met-Ed/Penelec/Penn Power Statement No. 2, Appendix A, and Exhibits RAD 1, RAD-2, RAD-3 and RAD-4;
- Met-Ed/Penelec/Penn Power Statement No. 3, Appendix A, Appendix B, Appendix C, and Exhibits 3-A and 3-B;
- Met-Ed/Penelec/Penn Power Statement No. 1-S-1; and
- Met-Ed/Penelec/Penn Power Statement No. 3-S.

3. Both the Applicants and the FirstEnergy Companies shall have a full opportunity, in accordance with the procedural schedule established by the ALJ, to submit briefs and reply briefs addressing FirstEnergy's market power issues.

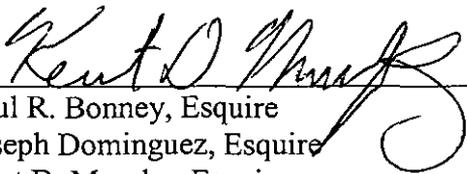
4. Both the Applicants and the FirstEnergy Companies shall have an opportunity, as appropriate and as ordered by the Commission, to file exceptions and reply exceptions to an initial decision by the ALJ in this proceeding addressing FirstEnergy's market power issues.

5. The Applicants will not argue that the Joint Petition precludes either the ALJ or the Commission from making a determination on the merits of FirstEnergy's market power issues, provided, however, that the Applicants may argue that the evidence and argument presented by the FirstEnergy Companies does not warrant granting relief beyond that already provided for in the Joint Petition.

Entered into this 20th day of September, 2005.

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For PECO Energy Company

4. Both the Applicants and the FirstEnergy Companies shall have an opportunity, as appropriate and as ordered by the Commission, to file exceptions and reply exceptions to an initial decision by the ALJ in this proceeding addressing FirstEnergy's market power issues.

5. The Applicants will not argue that the Joint Petition precludes either the ALJ or the Commission from making a determination on the merits of FirstEnergy's market power issues, provided, however, that the Applicants may argue that the evidence and argument presented by the FirstEnergy Companies does not warrant granting relief beyond that already provided for in the Joint Petition.

Entered into this 20th day of September, 2005.



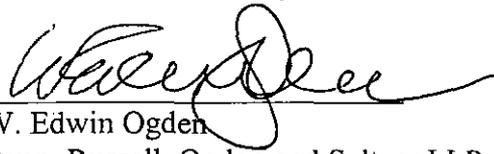
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So Ordered:

Administrative Law Judge

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160		YES	NO
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation	Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia, PA	Hearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date:	September 22, 2005	Testimony Taken:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
		Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		DATE:	10/21/05	
		Briefs to be Filed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		DATE:	10/14/05, 10/21/05	
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		

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PA PUBLIC UTILITY COMMISSION

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Reporter's Signature

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PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

10/3/05 *elp*

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160		YES	NO
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation	Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia, PA	Hearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date:	September 23, 2005	Testimony Taken:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
		Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		DATE:	10/2/05	
		Briefs to be Filed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		DATE:	10/14/05/10/2/05	
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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10/3/05 ep

John A. Kelly CRC, Inc
Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

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	City: Harrisburg State: PA Zip: 17101	
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CHARLES MCPHEDRAN	1518 WALNUT ST #1100	PENNSYLVANIA PARTIES
	City: PHILA State: PA Zip: 19102	
Telephone: 215 545 9693	E-mail Address: mcphecran@pennparties.org	Fax Number: 215 545 9687
Jesse A. Dillon PPL Services Corp	Two N. North St.	PPL Companies
	City: Allentown State: PA Zip: 17101	
Telephone: 610 774 5013	E-mail Address: jadillon@ppl.net	Fax Number: 610-774-6726
PAUL BONNEY Kent Murphy (215) 841-4222	2301 Market St.	PECO
	City: Phila State: PA Zip: 19107	
Telephone: /	E-mail Address:	Fax Number:
Mike Naeve Dave Matt Estes	1440 New York Ave, NW	PECO
	City: Washington State: DC Zip: 20005	
Telephone: 202-371-7000	E-mail Address: mnaeve@stadco.com	Fax Number: 202-661-9064
Dan Clearfield	213 Market St	PSE & G
	City: Harrisburg State: PA Zip: 17101	
Telephone: (717) 237-7173	E-mail Address:	Fax Number:
Tanya J. McCloskey Aron J. Beatty	5th Floor, Forum Place 555 Walnut St.	OCA
	City: Hbg State: PA Zip: 17101-1923	
Telephone: 717-783-5098	E-mail Address: tmccloskey@poca.org	Fax Number: 717-783-7152

Thu B. Tran

1424 Chestnut
Phila. PA 19102
ttran@clsphila.org.

CLS-Action All
215-981-3777

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160		YES	NO
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation	Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia, PA	Hearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Date:	September 26, 2005	Testimony Taken:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p style="font-size: 2em; font-weight: bold; text-align: center;">RECEIVED</p> <p style="text-align: center;">OCT 04 2005</p>		Further Hearing Needed:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		DATE:	10/21/05	
		Briefs to be Filed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		DATE:	10/14/05, 10/21/05	
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		

Cancel Hearing 9/27/05

PA PUBLIC UTILITY COMMISSION
PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
<p>Thomas T. Niesen Thomas, Thomas, Armstrong Niesen</p> <p>Telephone: 717.255.7600</p>	<p>P.O. Box 9500 Suite 500 212 Locust St.</p> <p>City: Htg State: PA Zip: 17108</p> <p>E-mail Address: tniesen@Htanlaw.com</p>	<p>Philadelphia Gas Works</p> <p>Fax Number: 717.236.8278</p>
<p>Kent D. Murphy Paul R. Bamvey</p> <p>Telephone: 215.841.4941</p>	<p>Exelon Business Services Company 2301 Market Street, S-23-1</p> <p>City: Phila. State: PA Zip: 19101</p> <p>E-mail Address: kent.murphy@exeloncorp.com</p>	<p>PECO Energy Company</p> <p>Fax Number: 215-568-3889</p>
<p>Megan Troy Preston Gates Ellis & Rowles Meeds LLP</p> <p>Telephone: 202-661-3771</p>	<p>1735 New York Ave., #500</p> <p>City: Washington State: DC Zip: 20009</p> <p>E-mail Address: megant@prestongates.com</p>	<p>PPL Companies</p> <p>Fax Number: 202-331-1024</p>

Check this box if additional parties or attendees appear on back of form.

10/3/05 elp.

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address	Who are you representing?
Daniel W. Cantu-Hertler	City of Philadelphia Law Dept One Parkway, 16th Floor 1515 Arch St Philadelphia PA 19102	City of Philadelphia
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Telephone: 215 684-6668	E-mail Address: Steven.Hershey@pgworks.com	Fax Number: 215 684-6628
Denise Adamucci	800 W. Montgomery, 4F Phila PA 19122	AGW
Telephone: 215-684-6745	E-mail Address: Denise.Adamucci@pgworks.com	Fax Number:
Dan Clearfield	213 Market St Harrisburg PA 17101	PSEG
Telephone:	E-mail Address:	Fax Number:
Sharon E Webb	300 N. 2nd St. Ste 1107 Commeral Bldg. Harrisburg PA 17101	OSBA
Telephone: 717 783 2525	E-mail Address: swebb@stonepa15.com	Fax Number: 717-783-2831
CHARLES MCPHEDRAN	1518 WALNUT #1100 PHILA PA 19102	PENNFUTURE PARTIOS
Telephone: 215 545 9693	E-mail Address: mcphecran@pennfuture.org	Fax Number: 215 545 9637
Tanya J. McCloskey	5th Floor, Forum PL 555 Walnut St. Hbg. PA 17101-1923	OCA
Telephone: 717-783-5048	E-mail Address:	Fax Number:
	City State Zip	
Telephone:	E-mail Address:	Fax Number:

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	A-110550F0160		YES	NO
		Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
		Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
		Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia, PA	Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
Date:	September 27, 2005			
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
		DATE:		
Reporting Firm:	Commonwealth Reporting	Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
<div style="font-size: 2em; font-weight: bold; margin-bottom: 10px;">RECEIVED</div> <div style="font-size: 1.2em; font-weight: bold; margin-bottom: 10px;">OCT 04 2005</div> <div style="font-size: 0.8em; font-weight: normal;"> PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing. </div>		REMARKS:		

Name and Telephone Number	Address	Who are you representing?			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">City</td> <td style="width: 33%;">State</td> <td style="width: 33%;">Zip</td> </tr> </table>	City	State	Zip	
City	State	Zip			
Telephone:	E-mail Address:	Fax Number:			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">City</td> <td style="width: 33%;">State</td> <td style="width: 33%;">Zip</td> </tr> </table>	City	State	Zip	
City	State	Zip			
Telephone:	E-mail Address:	Fax Number:			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">City</td> <td style="width: 33%;">State</td> <td style="width: 33%;">Zip</td> </tr> </table>	City	State	Zip	
City	State	Zip			
Telephone:	E-mail Address:	Fax Number:			

Check this box if additional parties or attendees appear on back of form.

10/3/05
elp.

Reporter's Signature

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OALJ Hearing Report

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Docket No.:	A-110550F0160		YES	NO
Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation	Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia, PA	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Date:	September 28, 2005	Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
<p>RECEIVED</p> <p>OCT 04 2005</p> <p>PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU</p> <p>PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing.</p>		Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		

Name and Telephone Number	Address			Who are you representing?
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:

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Case Name:	Joint Application of PECO Energy Company and Public Service Electric and Gas Company for Approval of the Merger of Public Service Enterprise Group Incorporated with and into Exelon Corporation	Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia, PA	Hearing Held:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Date:	September 29, 2005	Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
<p>RECEIVED</p> <p>OCT 04 2005</p> <p>PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.</p>		Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
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Name and Telephone Number	Address			Who are you representing?
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
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Telephone:	E-mail Address:			Fax Number:

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