

1. REPORT DATE: 00/00/00 :
2. BUREAU: FUS :
3. SECTION(S): : 4. PUBLIC MEETING DATE:
5. APPROVED BY: : 00/00/00
DIRECTOR: :
SUPERVISOR: :
6. PERSON IN CHARGE: : 7. DATE FILED: 10/29/01
8. DOCKET NO: R-00016856 : 9. EFFECTIVE DATE: 01/01/02

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: PECO ENERGY COMPANY

COMP/APP COUNTY:

UTILITY CODE: 110550

ALLEGATION OR SUBJECT

PECO ENERGY COMPANY FILED THEIR STATE TAX ADJUSTMENT SURCHARGE (STAS) FILING FOR SERVICE RENDERED ON OR AFTER JANUARY 1, 2002.

DOCKETED
OCT 30 2001

DOCUMENT
FOLDER



An Exelon Company

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ORIGINAL

DOCUMENT
FOLDER

October 29, 2001

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Subject: Notice and Petition for Recovery of the Revenue Neutral Reconciliation (RNR) Tax Effects for 2002.

R-00016856

Dear Mr. McNulty:

As a result of the Pennsylvania Department of Revenue's announcement on September 28, 2001, PECO Energy Company is filing Notice and Petition, including the filing requirements (Exhibit 1), requesting recovery of the 2002, 16 mill RNR tax effect. The Company is filing this request, in part, under PA Code, Section 54.94 concerning recovery of state taxes under the applicable 2808(4) rate cap. Accordingly, we have enclosed Tariff Electric - Pa. P.U.C. No. 3 Supplement No. 33 - Issued October 29, 2001, Effective January 1, 2002 (Exhibit 2). The Company is also filing this request under Section 54.95 concerning 1308(a) recovery of state taxes over the applicable 2808(4) rate cap.

The Company has enclosed eight copies of this filing. Please acknowledge receipt of this filing on the enclosed copy of this letter.

RECEIVED

Sincerely,

Brian D. Crowe

OCT 29 2001

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

- cc: w/enclosures
- The Honorable Glen Thomas, Chairman
- The Honorable Robert K. Bloom, Vice-Chairman
- The Honorable Aaron Wilson, Jr., Commissioner
- The Honorable Terrance J. Fitzpatrick, Commissioner
- C. F. Hoffman, Director, Office of Trial Staff
- R. A. Rosenthal, Director, Bureau of Fixed Utility Services
- R. Wilson, Bureau of Fixed Utility Services
- C. Walker-Davis, Director, Office of Special Assistants
- Office of Consumer Advocate
- Office of Small Business Advocate
- David Kleppinger, McNees, Wallace & Nurick
- Service List

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Certificate of Service

I hereby certify that I have this day served the foregoing document on the following in the matter of PECO Energy Company's Application For Approval Of Its Restructuring Plan et al, Joint Petition for Settlement; Docket Nos. R-00973953 and P-00971265.

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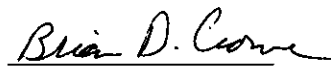
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Dated: October, 2001

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Notice and Petition of PECO Energy Company, :
Pursuant To 52 Pa. C.S. §§ 54.91 et seq., For :
Adjustment Of Electric Distribution Company :
Rates For Changes In State Tax Liability :

Docket No.

R - 00016856

NOTICE AND PETITION OF PECO ENERGY COMPANY,
PURSUANT TO 52 Pa. C.S. §§ 54.91 et seq.,
FOR ADJUSTMENT OF ELECTRIC DISTRIBUTION COMPANY RATES
FOR CHANGES IN STATE TAX LIABILITY

DOCKETED

OCT 30 2001

PECO Energy Company ("PECO" or the "Company"), pursuant to Sections 1308, 2804 and 2810 of the Public Utility Code (66 Pa.C.S. §§ 1308, 2804 and 2810) and 52 Pa. Code §§ 5.41 and 54.91 et seq., hereby requests that the Pennsylvania Public Utility Commission ("Commission") allow the rate relief specified in the Public Utility Code for adjustments to the gross receipts tax ("GRT") pursuant to the Revenue Neutral Reconciliation ("RNR") provisions of the Code.

I. BACKGROUND

1. Pursuant to 66 Pa. C.S. § 2810, each year the Pennsylvania Secretary of Revenue publishes a tax rate adjustment for the gross receipts of electric distribution companies ("EDC") and electric generation suppliers ("EGS"). This process is known as "Revenue Neutral Reconciliation," or "RNR," and was implemented as part of the Electricity Generation and Customer Choice Competition Act, P.L. 802, 66 Pa. C.S. § 2801 et seq. (the "Electric Competition Act").

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2. On October 1, 2001, the Secretary published a new tax rate adjustment, for calendar year 2002, of 16 mills, which effectively results in a gross receipts tax ("GRT") of 60 mills per dollar of revenue. By comparison, the unadjusted statutory GRT rate is 44 mills, and the adjusted GRT rate for calendar year 2001 is 43 mills. The 2002 GRT rate is thus a substantial change from prior tax rates. PECO Energy estimates that the new GRT rate will result in an increased tax liability, in 2002, of approximately \$53 million.

3. The Electric Competition Act contains specific provisions for recovery of increased tax liability due to RNR tax rate changes. 66 Pa. C.S. § 2804(16). Generally, Section 2804(16) provides for two possible treatments of RNR. First, "to the extent that the resulting rate does not exceed the rate cap established in this section," the Commission was directed to issue regulations "that permit the electric distribution company to recover any change in State tax liability" relating to RNR. 66 Pa. C.S. § 2804(16)(i). Second, for any portion of a company's tax liability "which would cause it to exceed the rate cap," the statute provides that the electric distribution company "may file a single issue rate proceeding under Section 1308(a) to recover that amount." 66 Pa. C.S. § 2804(16)(ii).

4. The Commission subsequently enacted regulations to implement both of these sections of the Electric Competition Act. 52 Pa. C.S. § 54.91 et seq. The regulations track the two path approach described in the statute. Recovery of

amounts under the rate cap are covered by 52 Pa. C.S. § 54.94, while recovery of amounts over the rate cap are covered by separate provisions in 52 Pa. C.S. § 52.95.

5. PECO Energy is seeking recovery under both provisions of the statute and regulations. Specifically, PECO Energy is seeking rate recovery of RNR taxes on its transmission and distribution revenues that do not cause it to exceed the transmission and distribution rate cap. Recovery of those amounts is thus sought under 52 Pa. Code. § 54.94. PECO Energy is also seeking rate recovery of RNR taxes on its competitive transition charge ("CTC"), intangible transition charge ("ITC") and generation revenues in amounts that will cause its rates to exceed the generation rate cap. Recovery of those amounts is thus sought under 52 Pa. Code § 54.95.

II. Recovery of Tax Liabilities Under the Rate Cap

6. The statutory rate cap on transmission and distribution services had a statutory duration of 54 months, beginning in December, 1996, and thus has already expired by the terms of the statute. In the PECO restructuring proceeding, Docket Nos. R-00973953 and P-00971265 (the "Restructuring Settlement"), the Joint Petitioners agreed that: "The cap on PECO's transmission and distribution charges, which otherwise would expire on June 30, 2001 under Section 2804(4) of

the Electric Competition Act, will be extended until January 30, 2005. . . .”

Restructuring Settlement, ¶ 21. In the PECO/Unicom merger proceeding, Docket No. A-110550F0147 (the “Merger Settlement”), the Joint Petitioners agreed in settlement to further extend the statutory transmission and distribution rate cap until December 31, 2006. These negotiated extensions of PECO Energy’s transmission and distribution rate cap mean that PECO’s transmission and distribution rates will be subject to a rate cap, by settlement, for 2002, the period in question.

7. Effective January 1, 2002, PECO Energy’s rates for transmission and distribution service will be below the statutory transmission and distribution rate cap established at 66 Pa. C.S. § 2804(4). These lower rates, which were negotiated as part of the Merger Settlement, will be \$60 million below the statutory transmission and distribution rate cap, on a system-side basis.
8. PECO Energy estimates that, for 2002, the increased tax liability associated with its transmission and distribution revenues will be approximately \$16 million. This \$16 million liability is largely the result of the RNR tax increase for 2002; however, PECO will also give a credit of approximately \$700,000 to customers based on refund of net RNR effects of 2001 and 2001, as well as current and prior capital stock and PURTA effects. When PECO Energy fully recovers the additional \$16 million RNR liability through the State Tax Adjustment Surcharge (“STAS”), its

rates for transmission and distribution service will remain below the level of the statutory rate cap for transmission and distribution service.

9. 52 Pa. C.S. § 54.94 applies to a claim for recovery of tax liability “to the extent that the resulting rates do not exceed the rate or price cap.” That section states that “an EDC seeking recovery of changes in its State tax liability under this section shall provide the following information to the Commission:

- (1) A description of the surcharge proposed by the EDC, and a statement of reasons for the proposed rate change.
- (2) A statement that the surcharge becomes effective for service rendered beginning 60 days after the filing of the tariffs or tariff supplements.
- (3) If applicable, the calculations supporting the amount of its tax liability arising from the RNR.
- (4) If applicable, the amount of payments under Section 2806(g) and 2809(c) of the code for the immediately preceding 12-month period ending on June 30, plus interest accrued at 6% per year from the time of payment until the time the payments are reflected in the customer rates, supported by a copy of the notification received from the Department assessing these taxes and related interest.
- (5) If applicable, an affidavit which states that the EDC has not recovered the taxes through tariff indemnification tariff provisions or other means, and that the Department has assessed the taxes.”

Exhibit 1, which is attached to this Petition, contains all of the information requested by 52 Pa. C.S. § 54.94.

10. Exhibit 2, which is attached to this Petition, contains PECO's tariff supplements to implement recovery of these costs.
11. PECO Energy therefore provides notice to the Commission that, pursuant to 52 Pa. C.S. § 54.94 (dealing with recovery of amounts under the rate cap), on January 1, 2002, it will begin collecting, via its State Tax Adjustment Surcharge, the portion of its new State tax liability that is attributable to transmission and distribution service.

III. Recovery of Tax Liabilities Above the Rate Cap

12. The statutory rate cap on generation services has a statutory duration of 9 years (that is, until December, 2005), or until a utility is no longer collecting competitive transition charges or intangible transition charges from its customers, whichever period is shorter. As PECO Energy continues to collect competitive transition charges and intangible transition charges, PECO Energy's generation rates are therefore subject to a rate cap during the period at issue, calendar year 2002, by virtue of the statutory rate cap. (In its Restructuring Settlement, PECO Energy agreed to extend the generation rate cap for five years, until 2010, Restructuring Settlement, ¶ 21, which covers years not involved in the current request.)

13. PECO Energy's current rates for generation service, including the energy and capacity charges, competitive transition charges ("CTC") and intangible transition charges ("ITC"), are at the statutory generation rate cap established at 66 Pa. C.S. § 2804(4).

14. PECO Energy estimates that, for 2002, the increased tax liability associated with its CTC and ITC will be approximately \$13.9 million. PECO Energy proposes to collect the CTC and ITC-related amounts through its STAS. PECO Energy estimates that, for 2002, the increased tax liability associated with its generation energy/capacity revenues will be approximately \$23.4 million. PECO Energy proposes to collect the energy and capacity-related amounts through its base rates for energy and capacity, by raising the "shopping credit" for those customers who choose to remain with PECO Energy for generation supply. If PECO Energy recovers this combined additional \$37.3 million tax liability through the STAS and base rates, its rates for generation service will exceed the statutory rate cap for generation service.

15. 52 Pa. C.S. § 54.95 covers requests for recovery where the EDC is "proposing to increase its rates above the rate cap due to the RNR." Section 54.95 states that a utility seeking such recovery shall file a single issue rate proceeding under Section 1308(a) of the Public Utility Code, and provides that the utility shall provide the following information to the Commission:

Within 30 days of receiving the Department's notice of the change in the applicable tax rate established by the RNR, an EDC proposing to increase its rate as described in this section shall provide the following information to the Commission.

- (1) A statement that the reason for the proposed rate increase is to permit the EDC to recover that portion of its RNR tax liability that produces rates above the rate cap.
- (2) A proof of revenue calculation by rate class demonstrating the impact of the proposed rate increase upon each class of customers. The EDC shall, at a minimum, show both the dollar and percentage change being proposed for each tariffed rate.
- (3) A description of the surcharge for recovering the increased tax liability.
- (4) A notice that the surcharge becomes effective 60 days from the date of the EDC files the proposed rate increase.

All of the information required by Section 54.95 is contained in Exhibit 1, which is attached to this Petition.

16. As noted, Section 54.95 contains a specific list of information to be provided to the Commission in a single issue rate case to collect RNR costs in excess of the rate cap. PECO Energy notes that the information required to be filed in single issue rate cases on issues other than RNR are detailed in 52 Pa. C.S. § 53.52, and that this information is more extensive than the information required to be filed in an RNR case. Although PECO Energy does not believe that 52 Pa. C.S. § 53.52 applies to claims related to increased RNR tax obligations, to facilitate evaluation of its request PECO Energy has included in Exhibit 1 a series of cross-references that for information discussed in Section 53.52.

IV. Alternative Relief – Treatment of Transmission and Distribution Revenues as “Above Rate Cap” Recovery.

17. In the event that the Commission determines, for any reason, that PECO may not recover its transmission and distribution-related RNR costs on an “under rate cap” basis, PECO requests that it be allowed to recover those costs on an above-rate cap basis pursuant to 52 Pa. Code § 54.95. To that end, Exhibit 1 also provides the information required under Section 54.95 for PECO’s transmission and distribution rates.

VI. Just and Reasonable Rates

18. The Public Utility Code provides that: “With regard to any portion of the change in an electric distribution company’s tax liability under Section 2810 [RNR] which would cause it to exceed the rate cap, the electric distribution company may file a single issue rate proceeding under Section 1308(a) to recover the amount. The Commission shall adjudicate, within 60 days, whether the resulting rates are just and reasonable.” 66 Pa. C.S. § 2804(16)(ii).
19. As no such demonstration of justness and reasonableness is necessary to collect amounts under the rate cap, the justness and reasonableness of a claim for those costs is presumed. 66 Pa. C.S. § 2804(16)(i), 52 Pa. Code § 54.94.
20. It would be just and reasonable to allow PECO Energy to collect its increased RNR costs from its customers. PECO Energy is required by law to pay the

increased taxes, and its tax liability is outside of its own operation and control. PECO therefore has no internal means to control these costs. Changes in state tax liabilities have historically been recovered from customers, through adjustments to the STAS and other means. PECO Energy is not seeking to step outside of these normal, historical means of rate recovery. In addition, PECO Energy is seeking current recovery to match current costs on a dollar for dollar basis, and thus would not earn a return on any monies recovered on a current basis. In addition, the Electric Competition Act specifically contemplates that utilities may seek recovery of RNR adjustment costs.

In addition, for the energy and capacity portions of its adjusted RNR liability, PECO Energy has proposed an increase in the shopping credit as its recovery mechanism. Increasing the shopping credit will have a pro-competitive effect, for two reasons. First, generation suppliers have generally taken the position that, whenever the shopping credit increases, the generation competitors have a greater chance of inducing customers to switch from PECO Energy's generation service. Second, the generation competitors will also be required to pay the increased RNR costs on energy and capacity services that they provide to customers. Including the PECO Energy costs in the shopping credit creates a level playing field so that there is no artificial, tax-driven, inducement to choose one supplier over another.

For these and other reasons, it would be just and reasonable to allow PECO Energy to collect its new RNR costs from customers, even though such collection would cause PECO to exceed the generation rate cap.

V. Notice

21. The Company's request to recover its RNR tax liability does not constitute a general rate increase within the meaning of 66 Pa. C.S. § 1308(d). Accordingly, the requirements for public notice of this filing are established by the Commission's regulations at 52 Pa. Code § 53.45(g). Those regulations provide that "... public notice of the proposed changes shall be given in the manner directed by the Commission."

The Company respectfully requests that the Commission adopt the following public notice requirements in this case. After the Commission has acted on the Company's request, the Company will notify its customers of the Commission's action by bill insert. The bill insert will be sent as soon after the Commission action as practicable, consistent with customer billing cycles. In addition, on the date that the Commission acts on the Company's request, the Company will distribute a news release containing a description of the Commission's actions to the major newspapers and radio and television stations in its service area.

This proposed public notice is appropriate for the following reasons. First, all customers will receive actual notice of the Commission's action on the Company's

request. Public notice of this nature satisfies due process requirements. Second, the proposed approach avoids multiple notices which may contain slightly different information. Customers will receive a single notice describing the Commission's action and reflecting the latest rate and billing data. Third, the proposed approach is consistent with the current practice of providing customer notice of changes in the STAS. For all of the foregoing reasons, the Company respectfully requests that the Commission accept the Company's proposed application of the public notice requirements.

VI. CONCLUSION

For the reasons stated above, PECO Energy Company respectfully requests that the Commission grant the relief as set forth in this petition. In particular, PECO has provided the Commission with notice that, beginning January 1, 2002, it will begin to collect, through its STAS, approximately \$16 million in new RNR tax liability attributable to its transmission and distribution revenues. In addition, PECO requests that the Commission find that it would be just and reasonable for it to collect from its customers RNR tax liabilities in excess of its rate cap. This includes \$13.9 million in taxes attributable to its CTC/ITC revenues, to be collected through the STAS, and \$23.4 million attributable to its energy/capacity revenues, to be collected by raising the shopping credit. PECO also requests the alternative finding, if necessary, that it is just and reasonable for it to collect its new RNR tax liability attributable to transmission and distribution revenues, to the extent that the Commission determines for any reason that this would cause PECO Energy to exceed its transmission and distribution rate cap.

Respectfully submitted,



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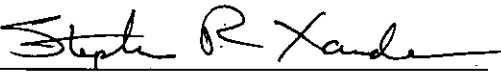
Dated: October 29, 2001

Counsel for PECO Energy

VERIFICATION

I, Stephen R. Xander, hereby declare that I am Manager of Tariff Administration for PECO Energy Company; that as such I am authorized to make this verification on behalf of PECO Energy Company; that the facts set forth in the foregoing Petition are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. §4904 pertaining to false statements to authorities.

Date: October 29, 2001



Stephen R. Xander

Exhibit 1

**PROPOSED RECOVERY OF 16 MILL RNR FOR 2002
ELECTRIC TARIFF No. 3**

**INFORMATION FURNISHED WITH THE FILING OF RATE CHANGES
UNDER 52 PA. CODE, SECTION 54.94 –
RECOVERY OF CHANGES IN STATE TAX LIABILITY
[RESULTING IN RATES THAT DO NOT EXCEED THE RATE CAP]**

54.94(b)

- 1. A description of the surcharge proposed by the EDC, and a statement of reasons for the proposed rate change.**

The Company proposes to utilize the State Tax Adjustment Surcharge (STAS) as authorized at PUC Regulation Section 54.97 and 69.51 – 69.56. The purpose will be to (1) recover the increased tax expense for 2002 caused by the 16 mill Revenue Neutral Reconciliation (RNR) on Distribution and Transmission Charges, and (2) refund to customers the net of 2000 and 2001 RNR, as well as, various Capital Stock and PURTA effects previously deferred as permitted by the PUC Order at Docket No. R-00994928. The resulting STAS that will be applied to Distribution and Transmission Charges will be effective for scheduled billing cycles after January 1, 2002. Please see Attachment A for the STAS calculation. Please see Attachment B for calculations demonstrating that application of the STAS would produce Distribution and Transmission rates under those in effect at December 31, 1996.

- 2. A statement that the surcharge becomes effective for service rendered beginning 60 days after the filing of the tariffs or tariff supplements.**

The Company's proposed effective date for the STAS, January 1, 2002, fulfills this general 60-day notice requirement as well as the 10-day STAS notice requirement. Exhibit 2 contains Supplement No. 33 to Pa. Electric P.U.C. No. 3 which will place the new State Tax Adjustment into effect.

- 3. If applicable, the calculations supporting the amount of its tax liability arising from the RNR.**

Please see Attachment A, pages 1 and 2.

4. If applicable, the amount of payments under sections 2806(g) and 2809(c) of the code for the immediately preceding 12 month period ending on June 30, plus interest accrued at 6% per year from the time of payment until the time the payments are reflected in customer rates, supported by a copy of the notification received from the Department assessing these taxes and related interest.

Not Applicable since the Company is not requesting recovery of payments under 2806(g) or 2809(c).

5. If applicable, an affidavit which states that the EDC has not recovered the taxes through tariff indemnification provisions or other means, and that the Department has assessed the taxes.

Not Applicable since taxes were not subject to recovery through tariff indemnification or other means.

**INFORMATION FURNISHED WITH THE FILING OF RATE CHANGES
UNDER 52 PA. CODE, SECTION 54.95 -
RECOVERY OF RNR TAX LIABILITY PRODUCING RATES ABOVE THE
RATE CAP**

54.95(b)

PECO hereby requests recovery of the 16 mill 2002 RNR Gross Receipts Tax that would produce rates that exceed the applicable 2804(4) rate cap utilizing the provisions of a single issue rate proceeding under 1308(a). The Company believes that collection of the 16 mill GRT associated with the Energy and Capacity Charges and CTC/ITC would result in rates that exceed the Generation rate cap established at 2804(4)(ii).

54.95 (c)

1. A statement that the reason for the proposed rate increase is to permit the EDC to recover that portion of its RNR tax liability that produces rates above the rate cap.

The purpose of the 1308(a) filing is to seek recovery of the 2002, 16 mill RNR Gross Receipts Tax (GRT) related to the Company's Energy and Capacity Charges and Transition Charges (CTC/ITC).

- 2. A proof of revenue calculation by rate class demonstrating the impact of the proposed rate increase upon each class of customers. The EDC shall, at a minimum, show both the dollar and percentage change being proposed for each tariffed rate.**

Please see Attachment C for proof of revenue calculations by rate class demonstrating the dollar and percentage impact on each customer class.

- 3. A description of the surcharge for recovering the increased tax liability.**

Two separate recovery methods will be incorporated to recover the RNR. First, the charge will be implemented by increasing the Energy and Capacity rates for a one-year period, effective for billing cycles beginning after January 1, 2002. The Company proposes this methodology to increase the "shopping credit" for cost recovery of a tax increase that EGSs must also bear. Second, the Company proposes to include the RNR associated with the CTC/ITC in the STAS for administrative ease and to minimize any possible customer confusion. Please see Attachment D (Columns (c) and (d) for most rate schedules) for the calculations to increase Energy and Capacity rates. Please see Attachment A, pages 1 and 2, for STAS calculations that include the RNR associated with the CTC/ITC.

- 4. A notice that the surcharge becomes effective 60 days from the date the EDC files the proposed rate increase.**

The Company's proposed January 1, 2002 effective date for the new Energy and Capacity Charges and STAS fulfills the 60-day notice requirement. The Company proposes that the necessary tariff pages with the increased Energy and Capacity rates will be filed after the PUC Order in this proceeding in the form of a compliance filing. Exhibit 2 contains Supplement No. 33 to Pa. Electric P.U.C. No 3, which will place the new State Tax Adjustment into effect.

Although the Company does not believe Section 53.52 is applicable to this filing, the following information is also provided:

**INFORMATION FURNISHED WITH THE FILING OF RATE CHANGES
UNDER 52 PA. CODE, SECTION 53.52 (a) -
INFORMATION FURNISHED WITH THE FILING OF RATE CHANGES**

(a)(1) The specific reason for each change.

Please refer to the answer to 54.95(c) No. 1.

(a)(2) The total number of customers served by the utility.

As of October 1, 2001 PECO Energy served 1,521,718 customers.

(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

The bills of all customers would be affected by the STAS and the customers receiving Provider of Last Resort (POLR) Service would be affected by the changes in Energy and Capacity Charges. As of October 1, 2001 there were approximately 1,124,322 POLR customers.

(a)(4) The effect of the change on the utility's customers.

Please refer to the answer to 54.95(c) No. 2.

(a)(5) The effect, whether direct or indirect, of the proposed change on the utilities revenue and expenses.

Please refer to the answer to 54.95(c) No. 2.

(a)(6) The effect of the change on the service rendered by the utility.

There will be no change in service rendered to customers.

- (a)(7) A list of factors considered by the utility in its determination to make a change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. CS 1308.**

Please refer to the answer to 54.95(c) No. 1.

- (a)(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa. C.S. 1308.**

No studies have been undertaken.

- (a)(9) Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernable public opposition, an explanation of why the change is in the public interest shall be provided.**

There have been no customer polls conducted.

- (a)(10) Plans the utility has for introducing or implementing the changes with respect to ratepayers.**

Please refer to the Company's petition.

- (a)(11) F.C.C., FERC, or Commission orders or ruling applicable to the filing.**

The Company believes it is following all relevant Commission Orders and rulings associated with the filing. There are no relevant FCC or FERC rulings associated with the filing.

**INFORMATION FURNISHED WITH THE FILING OF RATE CHANGES
UNDER 52 PA. CODE, SECTION 53.52 (b) and (c)**

(b)(1) The specific reasons for each increase or decrease.
Please refer to the answer to 54.95(c) No. 1 above.

(b)(2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdictions may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

Please see the Company's August 27, 2001 filing for information required under 52 PA Code, Sections 71.1 – 71.9.

(b)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

The bills of all customers will be affected. As of October 1, 2001 there are 1,521,718 such customers.

(b)(4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

Please refer to the answer to 54.95(c) No. 2.

53.52 (c)

Please see the Company's August 27, 2001 filing for information required under 52 PA Code, Sections 71.1 – 71.9.

In the event the Commission would determine the state tax increase associated with Transmission & Distribution produces rates above the "rate cap" the Company submits the following additional information.

**INFORMATION FURNISHED WITH THE FILING OF RATE CHANGES
UNDER 52 PA. CODE, SECTION 54.95 -
RECOVERY OF RNR TAX LIABILITY PRODUCING RATES ABOVE THE
RATE CAP.**

54.95(b)

To the extent, if any, it is determined the RNR collection associated with Transmission & Distribution exceeds the rate cap referenced in the regulations at 54.91 – 54.98, the Company requests recovery under a single-issue rate proceeding under 1308(a).

54.95 (c)

- 1. A statement that the reason for the proposed rate increase is to permit the EDC to recover that portion of its RNR tax liability that produces rates above the rate cap.**

By reference, the Company incorporates the response from 54.94(b)1.

- 2. A proof of revenue calculation by rate class demonstrating the impact of the proposed rate increase upon each class of customers. The EDC shall, at a minimum, show both the dollar and percentage change being proposed for each tariffed rate.**

Please see Attachment B, Columns 9 and 10, for proof of revenue calculations by rate class demonstrating the dollar and percentage effects on each customer class relative to rates effective January 1, 2002, per the Merger Settlement.

- 3. A description of the surcharge for recovering the increased tax liability.**

By reference, the Company incorporates the response from 54.94(b)1.

- 4. A notice that the surcharge becomes effective 60 days from the date the EDC files the proposed rate increase.**

The Company's proposed January 1, 2002 effective date for the new STAS fulfills the 60-day notice requirement.

Exhibit 1

Attachment A

PECO Energy - Electric Operations
Effect of Revenue Neutral Reconciliation (RNR)
For the Year 2002

		<u>Reference</u>
<u>RNR Effects</u>		
1 . Year 2002 - Projected	\$28,220,908	Att. A, Pg. 2, Ln.10
2 . Year 2001 - 9 Months Actual and 3 Months Projected	(\$3,027,972)	Att. A, Pg. 3, Ln.3
3 . Year 2000 - Actual	<u>\$15,558,328</u>	Att. A, Pg. 4, Ln.3
4 . Total RNR for Future Recovery	\$40,751,264	
<u>Non - RNR Effects</u>		
5 . Capital Stock Tax - 2002 (a)	(\$5,295,940)	Att. B, Pg. 1, Ln.7
6 . Capital Stock Tax - 2001 (a)	(\$4,088,848)	Att. B, Pg. 2, Ln. 7
7 . Capital Stock Tax - 2000 (a)	(\$2,922,826)	Att. B, Pg. 2, Ln. 9
8 . PURTA Assessment - 2000 (a)	\$286,292	Att. B, Pg. 3, Ln. 5
9 . PURTA Assessment - Supplemental for 1998 and 1999 (a)	(\$1,394,467)	Att. B, Pg. 4, Ln. 3
10 . Reconciled Amount due from Customers - 1999 (a)	<u>\$191,391</u>	Dec. 3, 1999 STAS Filing, Att. A, Pg. 1, Ln. 4
11 . Non - RNR Amount Due from / (to) Customers	(\$13,224,398)	
12 . RNR Effects Net of Non-RNR Effects	\$27,526,866	Ln. 4 + Ln.11
13 . Recoverable Amount Including Gross Receipts Tax	\$29,283,900	Ln. 12 / (1-0.06)
14 . Adjusted Gross Transmission, Distribution and Transition Charges Operating Revenues	\$1,763,806,720	Att. A , Pg. 2, Ln. 9
15 . State Tax Adjustment Charge	1.66%	Ln. 13 / Ln. 14

(a) Reconciled Amount

PECO Energy - Electric Operations
Computation of 16 Mill Increase in Gross Receipts Tax
12 Months Ended December 31, 2002

		<u>Reference</u>
1 . <u>Booked Revenue from Sales Excl Intangible Transition Charges</u>	\$3,580,360,696	2000 FERC # 1, Pg. 300, Ln. 12
2 . Less : Non - jurisdictional revenue		
Sales for Resale	\$1,502,987,410	2000 FERC # 1, Pg. 300, Ln. 11
Interdepartmental Revenues	\$6,374,848	2000 FERC # 1, Pg. 300, Ln. 9
Unbilled Revenues	-\$7,385,000	2000 FERC # 1, Pg. 301
3 . Less : LILR Revenue not subject to STAS	\$9,601,130	Company Records
4 . Less: Competitive Transition Charges	<u>\$106,541,707</u>	Company Records
5 . <u>Operating Revenues Subject to STAS Excl Total Transition Charges Before Adjustments</u>	\$1,962,240,601	
6 . Add: Estimated Total Transition Charges for Year 2002	\$834,405,164	Company Filing on October 12, 2001 at Docket No. M-FACE0110
7 . Less :		
Year 2002 Reduction in Distribution Revenues	\$60,000,000	Order Entered June 22, 2000 at Docket No. A-110550F0147
8 . Less:		
Energy and Capacity Related Charges Included in Lines 1 through 3	<u>\$972,839,045</u>	Company estimate
9 . Adjusted base	\$1,763,806,720	
10 . 16 Mill Increase in Gross Receipts Tax from 44 mills to 60 mills from RNR	\$28,220,908	Ln. 9 * 0.016 (a)

(a) Refer to Attachment A, Pg 2a for the Revenue-Neutral Reconciliation Rate Notice for the Tax Year Beginning January 1, 2002 Applied to the Gross Receipts Tax Rate.

Attachment A
Page 2a

NOTICES

Revenue-Neutral Reconciliation Rate Notice for the Tax Year Beginning January 1, 2002

[31 Pa.B. 5507]

Title 66 Pa.C.S. § 2810(a) provides "It is the intention of the General Assembly that the restructuring of the electric industry be accomplished in a manner that allows Pennsylvania to enjoy the benefits of competition, promotes the competitiveness of Pennsylvania's electric utilities and maintains revenue neutrality to the Commonwealth. This section is not intended to cause a shift in proportional tax obligations among customer classes or individual electric distribution companies. It is the intention of the General Assembly to establish this revenue replacement at a level necessary to recoup losses that may result from the restructuring of the electric industry and the transition thereto."

Title 66 Pa.C.S. § 2810(c) requires the Secretary of Revenue to publish the rate of the revenue-neutral reconciliation (RNR) tax in the form of a notice in the *Pennsylvania Bulletin* by December 1, 1998, and each October 1 thereafter until and including October 1, 2002. The tax rate established in 66 Pa.C.S. §§ 2810(c) shall be imposed upon gross receipts as provided in 66 Pa.C.S. § 2810(b) for the period beginning the next January 1. In the event the RNR tax rate is negative, a credit is provided under 66 Pa.C.S. § 2810(c)(5). This credit is available only to a taxpayer upon which tax is imposed under 66 Pa.C.S. § 2810(b).

The result of the revenue-neutral reconciliation calculation provided in 66 Pa.C.S. § 2810 is +0.016 for tax periods beginning on or after January 1, 2002. Therefore, the combined utility gross receipts tax rate for electric distribution companies and electric generation suppliers is effectively 0.060 for tax periods beginning on or after January 1, 2002, rather than 0.044.

The utility gross receipts tax rate, however, remains 0.050 for all gross receipts taxable under 72 P. S. § 8101(a).

LARRY P. WILLIAMS,
Secretary

[Pa.B. Doc. No. 01-1783. Filed for public inspection September 28, 2001, 9:00 a.m.]

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PECO Energy - Electric Operations
Reconciliation of 1 Mill Decrease
12 Months Ended December 31, 2001

	Intrastate Base Revenues <u>Subject to GRT</u>	
1 .		
January	\$250,267,363	
February	\$244,564,529	
March	\$227,431,390	
April	\$218,018,110	
May	\$216,987,905	
June	\$266,711,508	
July	\$320,625,707	
August	\$339,355,075	
September	\$324,882,406	
October (est.)	\$193,721,092	
November (est.)	\$201,720,833	
December (est.)	<u>\$223,686,208</u>	
Total	\$3,027,972,126	
2 . 1 Mill Decrease	(0.001)	
Gross Receipts		
3 . Tax Decrease	(\$3,027,972)	Ln. 1 *- 0.001

PECO Energy
Capital Stock Tax Adjustment

	<u>TOTAL</u>	<u>ELECTRIC</u>		<u>GAS</u>
		<u>GENERATION</u>	<u>TRANS. / DIST.</u>	
1 . Value of Capital Stock 1998 (a)	\$1,941,632,390			
2 . Apportionment Percentage	0.784364			
3 . Taxable Value Capital Stock (b)	\$1,522,946,548	\$426,425,033	\$845,996,807	\$250,524,707
4 . Tax Rate Thru 1997 @ 12.75 mills		N. A.	<u>x 0.01275</u>	<u>x 0.01275</u>
5 . Pa. Capital Stock Tax @ 12.75 mills		N. A.	\$10,786,459	\$3,194,190
6 . Pa. Capital Stock Tax @ 6.49 mills - Year 2002		N. A.	\$5,490,519	\$1,625,905
7 . Annualized Tax Decrease from Rate Change - Year 2002		N. A.	\$5,295,940	\$1,568,285

(a) Settlement from the Department of Revenue, Attachment B., Pg. 5

(b) Electric (Generation 28.00%, Transmission and Distribution 55.55%) and Gas (16.45%) based on total utility plant and revenues.

PECO Energy
Capital Stock Tax Adjustment

	<u>TOTAL</u>	<u>ELECTRIC</u>		<u>GAS</u>
		<u>GENERATION</u>	<u>TRANS. / DIST.</u>	
1 . Value of Capital Stock 1997 (a)	\$1,876,868,883			
2 . Apportionment Percentage	0.713107			
3 . Taxable Value Capital Stock (b)	\$1,338,408,339	\$360,701,047	\$777,347,563	\$200,359,728
4 . Tax Rate Thru 1997 @ 12.75 mills		N. A.	<u>x 0.01275</u>	<u>x 0.01275</u>
5 . Pa. Capital Stock Tax @ 12.75 mills		N. A.	\$9,911,181	\$2,554,587
6 . Pa. Capital Stock Tax @ 7.49 mills - Year 2001		N. A.	\$5,822,333	\$1,500,694
7 . Annualized Tax Decrease from Rate Change - Year 2001		N. A.	\$4,088,848	\$1,053,893
8 . Pa. Capital Stock Tax @ 8.99 mills - Year 2000		N. A.	\$6,988,355	\$1,801,234
9 . Annualized Tax Decrease from Rate Change - Year 2000		N. A.	\$2,922,826	\$753,353

(a) Settlement from the Department of Revenue included with the 12/18/00 STAS Filing

(b) Electric (Generation 26.95%, Transmission and Distribution 58.08%) and Gas (14.97%) based on total utility plant and revenues.

PECO Energy
2000 PURTA Adjustment

	<u>Generation</u>	<u>Transmission & Distribution</u>	<u>Gas</u>	<u>Total</u>
Per August 1, 2001 Assessment (a)				
1 . Tax Base	N. A.	\$191,420,210	\$28,476,642	\$219,896,852
2 . Tax @ 30.6364 Mills	N. A.	\$5,864,427	\$872,423	\$6,736,850
 1999 Traditional PURTA				
3 . Tax Base	N. A.	\$132,812,734	\$19,753,169	\$152,565,903
4 . Tax @ 42 Mills	N. A.	<u>\$5,578,135</u>	<u>\$829,633</u>	<u>\$6,407,768</u>
5 . Amount Due from / (to) Customers	N. A.	\$286,292	\$42,790	\$329,082

(a) Act 4, 1999, see Attachment B, Pg. 6

PECO Energy
Supplemental PURTA Adjustments

Per August 1, 2001 Assessment (a)	<u>Generation</u>	<u>Transmission & Distribution</u>	<u>Gas</u>	<u>Total</u>
1 . Adjustment for 1998 Tax Year	(\$4,054,175)	(\$1,191,646)	(\$359,287)	(\$5,605,108)
2 . Adjustment for 1999 Tax Year	(\$1,026,742)	(\$202,821)	(\$73,078)	(\$1,302,641)
3 . Amount Due from / (to) Customers	N.A.	(\$1,394,467)	(\$432,365)	N.A.

(a) See Attachment B, Pg. 6

SECTION A - CAPITAL STOCK/FRANCHISE TAX

Attachment B
Page 5

HISTORY OF EARNINGS - BOOK INCOME	AS REPORTED	AS ADJUSTED	NOTES
01/01/94 TO 12/31/94		437,744,068	PY
01/01/95 TO 12/31/95		623,576,184	PY
01/01/96 TO 12/31/96		520,282,016	PY
01/01/97 TO 12/31/97		1,447,550,775-	PY
01/01/98 TO 12/31/98	512,725,649	539,494,476	D5
TOTAL BOOK INCOME		673,545,969	
AVERAGE NET INCOME	129,355,428	134,709,194	*
EQUITY YEAR ENDING	3,287,364,351		
EQUITY YEAR BEGINNING	2,956,903,057	2,956,903,057	PY
NET WORTH	3,287,364,351	3,287,364,351	
CAPITAL STOCK VALUE	1,913,454,674	1,941,632,390	*
APPORTIONMENT PROPORTION	.784364	.784364	
CAPITAL STOCK/FRANCHISE TAX	17,995,131	18,260,129	*

SCHEDULE A-1: APPORTIONMENT SCHEDULE FOR CAPITAL STOCK/FRANCHISE TAX

PROPERTY FACTOR - PA	
PROPERTY FACTOR - TOTAL	
PAYROLL FACTOR - PA	
PAYROLL FACTOR - TOTAL	
SALES FACTOR - PA	
SALES FACTOR - TOTAL	
SINGLE FACTOR - NUMERATOR	9,262,485,282
SINGLE FACTOR - DENOMINATOR	11,808,912,120

SECTION B - LOANS TAX

INDEBTEDNESS	9,812,835	
LOANS TAX	39,005	39,005

SECTION C - CORPORATE NET INCOME TAX

NET INCOME	966,707,286		M7
DIVIDENDS	16,737,125		
US INTEREST	55,833		M7
OTHER	3,731		
TOTAL DEDUCTIONS	16,801,986	16,796,689	*
INCOME TAXES	99,433,303		
TAX PREFERENCE ITEMS	1,596,327		M7
EIP ADJUSTMENTS			
OTHER	427,590		M7
TOTAL ADDITIONS	101,457,220	101,457,220	M7
ADJUSTED INCOME	1,051,367,817	1,051,367,817	M7
TOTAL NONBUSINESS INCOME			
INCOME TO BE APPORTIONED		1,051,367,817	
APPORTIONMENT PROPORTION	.881737	.881737	M7
PA APPORTIONED INCOME		927,029,904	
PA NONBUSINESS INCOME			
INCOME PRIOR TO NL DEDUCTION	927,029,905	927,029,904	M7
NET LOSS DEDUCTION		0	
PA TAXABLE INCOME		927,029,904	
CORPORATE NET INCOME TAX	92,610,288	92,610,287	M7

SCHEDULE C-1: APPORTIONMENT SCHEDULE FOR CORPORATE NET INCOME TAX

PROPERTY FACTOR - PA	7,800,435,257		M7
PROPERTY FACTOR - TOTAL	8,221,830,861		M7
PAYROLL FACTOR - PA	551,585,593		
PAYROLL FACTOR - TOTAL	554,197,601		
SALES FACTOR - PA	4,243,356,045		M7
SALES FACTOR - TOTAL	5,361,453,586		M7

SCHEDULE C-2: NET LOSS DEDUCTION AND CARRYFORWARD

NL CARRYFWD TO CURRENT TAXABLE YEAR	NL CARRYFWD TO NEXT TAXABLE YEAR		
12-31-94	0	12-31-94	0 PY
12-31-95	0	12-31-95	0 PY
12-31-96	0	12-31-96	0 PY
12-31-97	0	12-31-97	0 PY
		12-31-98	0

OFFICE OF CORPORATION TAXES
 STATE UNIT
 T. 280704
 HARRISBURG, PA 17122-0704

COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE

Attachment B
 Page 6


Mailing Date:
 August 1, 2001

Name: PECO ENERGY CO

Account Id: 3500103

Detail

Tax Year 2000

1) 2000 Realty Tax Equivalent (RTE):	\$ 34,960,073
2) 2000 Total State Taxable Value (STV) for all utilities:	\$ 1,517,600,944
3) 2000 PURTA Millage Rate (including 7.6 mills for Public Transportation Act):	30.6364 mills
4) 2000 STV for Utility:	\$219,896,852
5) 2000 Liability (Line 3 x Line 4):	\$6,736,850
6) 2000 Transition Credit:	\$0

Tax Year 1999

1) 1999 Adjusted Realty Tax Equivalent (RTE):	\$ 48,644,825
2) 1999 Adjusted Total State Taxable Value (STV) for all utilities:	\$ 2,514,334,230
3) 1999 Adjusted Millage Rate (including 7.6 mills for Public Transportation Act):	26.9470 mills
4) 1999 Adjusted STV for Utility:	\$592,079,570
5) 1999 Adjusted Liability (Line 3 x Line 4):	\$15,954,769
6) 1999 Adjusted Transition Credit:	\$0
7) 1999 Adjustment to previously posted Liability of 8/1/2000:	(\$1,302,641)
8) 1999 Adjustment to previously posted Transition Credit of 8/1/2000:	\$0

Tax Year 1998

1) 1998 Adjusted Realty Tax Equivalent (RTE):	\$ 133,200,000
2) 1998 Adjusted Total State Taxable Value (STV) for all utilities:	\$ 2,518,974,751
3) 1998 Adjusted Millage Rate (including 7.6 mills for Public Transportation Act):	60.4787 mills
4) 1998 Adjusted STV for Utility:	\$583,699,135
5) 1998 Adjusted Liability (Line 3 x Line 4):	\$35,301,339
6) 1998 Adjusted Transition Credit:	\$0
7) 1998 Adjustment to previously posted Liability of 8/1/2000:	(\$5,605,105)
8) 1998 Adjustment to previously posted Transition Credit of 8/1/2000:	\$0

The Transition Credit is reflected on the attached account review. Any overpayment is available for transfer within the account, any net credit balance for the account is available for refund/assignment.

If you do not agree with this Notice, you may file a Petition for Recalculation with the Board of Finance and Revenue which must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within thirty (30) days of the mailing date. Address the petition to: Board of Finance and Revenue, Harrisburg, PA 17128-1021.

Exhibit 1

Attachment B

2002 Unbundled Transmission & Distribution (T & D) Revenue

	Electric Restructuring			Merger Settlement		Merger Distribution (3a)	Merger T & D 1/1/02 (5) = (2) + (3a)	STAS @ 1.66% (6) = (5) * 0.166	T & D @ 1/1/02 w/ STAS (7) = (5) + (6)	Amount Above or (Below) Statutory Rate Cap (8) = (7) - (4)	Amount Above or (Below)	
	Sales (MWh)	Transmission (2)	Distribution (3)	Statutory T & D Rate Cap 12/31/96 (4) = (2) + (3)	\$ (60,000,000) Allocation						T & D Merger Rates (8) = (7) - (5)	% Above/(Below) (10) = (9) / (5)
HT	14,542,215	51,190,027	111,301,827	162,491,854	(7,696,354)	103,605,473	154,795,500	2,569,605	157,365,105	(5,126,749)	2,569,605	1.66%
EP	654,254	2,373,227	7,478,499	9,851,726	(517,127)	6,961,372	9,334,599	154,954	9,489,554	(362,173)	154,954	1.66%
PD	1,107,824	5,183,690	20,019,844	25,203,534	(1,384,342)	18,635,502	23,819,192	395,399	24,214,591	(988,944)	395,399	1.66%
GS	6,756,312	39,838,587	144,898,335	184,736,923	(10,019,502)	134,878,833	174,717,420	2,900,309	177,617,730	(7,119,193)	2,900,309	1.66%
GS	6,715,671	39,602,848	144,040,917	183,643,765	(9,960,213)	134,080,704	173,683,552	2,883,147	176,566,699	(7,077,066)	2,883,147	1.66%
TL	40,641	235,740	857,418	1,093,158	(59,289)	798,129	1,033,869	17,162	1,051,031	(42,127)	17,162	1.66%
RH	2,884,604	11,521,404	100,803,925	112,325,329	(6,970,440)	93,833,485	105,354,889	1,748,891	107,103,780	(5,221,549)	1,748,891	1.66%
R	7,885,699	44,098,864	441,168,627	485,267,492	(30,506,148)	410,662,479	454,761,344	7,549,038	462,310,382	(22,957,110)	7,549,038	1.66%
R	7,885,618	44,098,462	441,164,606	485,263,068	(30,505,870)	410,658,736	454,757,198	7,548,969	462,306,168	(22,956,900)	7,548,969	1.66%
RT	81	402	4,022	4,424	(278)	3,744	4,146	69	4,214	(209)	69	1.66%
OP	384,915	182,874	19,585,166	19,768,040	(1,354,285)	18,230,881	18,413,755	305,668	18,719,423	(1,048,616)	305,668	1.66%
SLP	90,951	157,270	10,880,721	11,037,991	(752,386)	10,128,336	10,285,606	170,741	10,456,347	(581,644)	170,741	1.66%
SLS	17,317	82,942	3,930,701	4,013,643	(271,802)	3,658,899	3,741,840	62,115	3,803,955	(209,688)	62,115	1.66%
SLE	48,154	77,308	5,960,250	6,037,558	(412,142)	5,548,108	5,625,416	93,382	5,718,797	(318,760)	93,382	1.66%
OTHER	9,237	10,472	1,669,910	1,680,382	(115,472)	1,554,438	1,564,911	25,978	1,590,888	(89,494)	25,978	1.66%
POL	9,205	10,450	1,666,327	1,676,777	(115,224)	1,551,103	1,561,553	25,922	1,587,474	(89,302)	25,922	1.66%
AL	32	22	3,583	3,606	(248)	3,336	3,358	56	3,414	(192)	56	1.66%
TOTAL	34,381,484	154,716,666	867,697,806	1,022,414,472	(60,000,000)	807,697,806	962,414,472	15,976,080	978,390,552	(44,023,920)	15,976,080	1.66%
¢/kWh		0.45	2.52	2.97	-0.17	2.35	2.80	0.05	2.85	(0.13)	0.05	

2002 Unbundled Transmission & Distribution (T & D) Unit Rates (¢/kWh)

	Electric Restructuring				Merger Settlement		Merger		T & D @ 1/1/02		Amount Above or (Below)	Amount Above or (Below)	
	<u>Sales</u> (MWh)	<u>Transmission</u> (2)	<u>Distribution</u> (3)	<u>Statutory T & D</u> <u>Rate_Cap_12/31/96</u> (4) = (2) + (3)	<u>\$ (60,000,000)</u> <u>Allocation</u>	<u>Merger</u> <u>Distribution</u> (3a)	<u>Merger</u> <u>T & D 1/1/02</u> (5) = (2) + (3a)	<u>STAS @ 1.66%</u> (6) = (5) * 0.166	<u>w/ STAS</u> (7) = (5) + (6)	<u>Statutory Rate Cap</u> (8) = (7) - (4)	<u>T & D Merger Rates</u> (9) = (7) - (5)	<u>% Above/(Below)</u> (10) = (9) / (5)	
HT	14,542,215	0.35	0.77	1.12	(0.05)	0.71	1.06	0.02	1.08	(0.04)	0.02	1.66%	
EP	654,254	0.36	1.14	1.51	(0.08)	1.06	1.43	0.02	1.45	(0.06)	0.02	1.66%	
PD	1,107,824	0.47	1.81	2.28	(0.12)	1.68	2.15	0.04	2.19	(0.09)	0.04	1.66%	
GS	6,756,312	0.59	2.14	2.73	(0.15)	2.00	2.59	0.04	2.63	(0.11)	0.04	1.66%	
GS	6,715,671	0.59	2.14	2.73	(0.15)	2.00	2.59	0.04	2.63	(0.11)	0.04	1.66%	
TL	40,641	0.58	2.11	2.69	(0.15)	1.96	2.54	0.04	2.59	(0.10)	0.04	1.66%	
RH	2,884,604	0.40	3.49	3.89	(0.24)	3.25	3.65	0.06	3.71	(0.18)	0.06	1.66%	
R	7,885,699	0.56	5.59	6.15	(0.39)	5.21	5.77	0.10	5.86	(0.29)	0.10	1.66%	
R	7,885,618	0.56	5.59	6.15	(0.39)	5.21	5.77	0.10	5.86	(0.29)	0.10	1.66%	
RT	81	0.50	4.97	5.47	(0.34)	4.63	5.12	0.09	5.21	(0.26)	0.09	1.66%	
OP	384,915	0.05	5.09	5.14	(0.35)	4.74	4.78	0.08	4.86	(0.27)	0.08	1.66%	
SLP	90,951	0.17	11.96	12.14	(0.83)	11.14	11.31	0.19	11.50	(0.64)	0.19	1.66%	
SLS	17,317	0.48	22.70	23.18	(1.57)	21.13	21.61	0.36	21.97	(1.21)	0.36	1.66%	
SLE	48,154	0.16	12.38	12.54	(0.86)	11.52	11.68	0.19	11.88	(0.66)	0.19	1.66%	
OTHER	9,237	0.11	18.08	18.19	(1.25)	16.83	16.94	0.28	17.22	(0.97)	0.28	1.66%	
POL	9,205	0.11	18.10	18.22	(1.25)	16.85	16.96	0.28	17.24	(0.97)	0.28	1.66%	
AL	32	0.07	11.29	11.36	(0.78)	10.51	10.58	0.18	10.75	(0.60)	0.18	1.66%	
TOTAL		0.45	2.52	2.97	(0.17)	2.35	2.80	0.05	2.85	(0.13)	0.05	1.66%	

Exhibit 1

Attachment C

2002 Unbundled CTC ^(a) and Energy/Capacity Revenue

	Sales (MWh)	Electric Restructuring			Energy/Capacity @ 1.01702 ^(b) (5) = (3) * 1.01702	CTC STAS @ 1.66% (6) = (2) * .0166	Total CTC & E/C 1/1/02 (7) = (2) + (5) + (6)	Amount Above or (Below) Rate Cap (8) = (7) - (4)	% Above/(Below) Rate Cap (9) = (8) / (4)
		CTC (2)	Energy/Capacity (E/C) (3)	Statutory Rate Cap 12/31/1996 (4) = (2) + (3)					
HT	14,542,215	\$289,163,150	557,111,133	846,274,282	566,593,164	4,800,108	860,556,422	14,282,140	1.69%
EP	654,254	\$13,121,883	25,390,811	38,512,693	25,822,962	217,823	39,162,668	649,975	1.69%
PD	1,107,824	\$28,707,177	52,604,287	81,311,464	53,499,612	476,539	82,683,328	1,371,864	1.69%
GS	6,756,312	\$221,064,038	378,780,698	599,844,736	385,227,545	3,669,663	609,961,247	10,116,511	1.69%
GS	6,715,671	\$219,755,922	376,539,307	596,295,229	382,948,006	3,647,948	606,351,877	10,056,647	1.69%
TL	40,641	\$1,308,116	2,241,391	3,549,507	2,279,539	21,715	3,609,370	59,863	1.69%
RH	2,884,604	\$58,640,229	124,909,324	183,549,552	127,035,280	973,428	186,648,937	3,099,384	1.69%
R	7,885,699	\$222,065,111	416,190,209	638,255,320	423,273,767	3,686,281	649,025,159	10,769,838	1.69%
R	7,885,618	\$222,063,087	416,186,415	638,249,502	423,269,908	3,686,247	649,019,242	10,769,740	1.69%
RT	81	\$2,024	3,794	5,818	3,859	34	5,916	98	1.69%
OP	384,915	\$368,640	6,505,640	6,874,280	6,616,366	6,119	6,991,126	116,845	1.70%
SLP	90,951	\$620,434	2,398,617	3,019,051	2,439,441	10,299	3,070,175	51,124	1.69%
SLS	17,317	\$375,400	864,041	1,239,441	878,747	6,232	1,260,379	20,938	1.69%
SLE	48,154	\$268,742	1,684,280	1,953,023	1,712,947	4,461	1,986,150	33,128	1.70%
OTHER	9,237	\$10,360	218,352	228,712	222,069	172	232,601	3,888	1.70%
POL	9,205	\$10,334	217,888	228,222	221,596	172	232,102	3,880	1.70%
AL	32	\$26	465	491	473	0	499	8	1.70%
TOTAL	34,381,484	\$834,405,164	1,566,657,391	2,401,062,556	1,593,321,900	13,851,126	2,441,578,190	40,515,635	
¢/kWh		2.43	4.56	6.98	4.63	0.04	7.10	0.12	1.69%
TOTAL	34,381,484	\$834,405,164	1,566,657,391	2,401,062,556	1,593,321,900	13,851,126	2,441,578,190	40,515,635	
Less:									
E/C for Shopping Customers			191,745,829						
TOTAL Reflecting PLR		\$834,405,164	1,374,911,562	2,209,316,727	1,398,312,557	13,851,126	2,246,568,847	37,252,121	

(a) Includes ITC

(b) $(1-.044) / (1-.06) = 1.01702$

2002 Unbundled CTC ^(a) and Energy/Capacity Unit Rates (¢/kWh)

	<u>Sales</u> (MWh)	Electric Restructuring		Statutory Rate Cap <u>12/31/1996</u> (4) = (2) + (3)	Energy/Capacity <u>@ 1.01702 ^(b)</u> (5) = (3) * 1.01702	CTC STAS <u>@ 1.66%</u> (6) = (2) * .0166	Total CTC & <u>E/C 1/1/02</u> (7) = (2) + (5) + (6)	Amount Above or <u>(Below) Rate Cap</u> (8) = (7) - (4)	% Above/(Below) <u>Rate Cap</u> (9) = (8) / (4)
		<u>CTC</u> (2)	Energy/Capacity <u>(E/C)</u> (3)						
HT	14,542,215	1.99	3.83	5.82	3.90	0.03	5.92	0.10	1.69%
EP	654,254	2.01	3.88	5.89	3.95	0.03	5.99	0.10	1.69%
PD	1,107,824	2.59	4.75	7.34	4.83	0.04	7.46	0.12	1.69%
GS	6,756,312	3.27	5.61	8.88	5.70	0.05	9.03	0.15	1.69%
GS	6,715,671	3.27	5.61	8.88	5.70	0.05	9.03	0.15	1.69%
TL	40,641	3.22	5.52	8.73	5.61	0.05	8.88	0.15	1.69%
RH	2,884,604	2.03	4.33	6.36	4.40	0.03	6.47	0.11	1.69%
R	7,885,699	2.82	5.28	8.09	5.37	0.05	8.23	0.14	1.69%
R	7,885,618	2.82	5.28	8.09	5.37	0.05	8.23	0.14	1.69%
RT	81	2.50	4.69	7.19	4.77	0.04	7.31	0.12	1.69%
OP	384,915	0.10	1.69	1.79	1.72	0.00	1.82	0.03	1.70%
SLP	90,951	0.68	2.64	3.32	2.68	0.01	3.38	0.06	1.69%
SLS	17,317	2.17	4.99	7.16	5.07	0.04	7.28	0.12	1.69%
SLE	48,154	0.56	3.50	4.06	3.56	0.01	4.12	0.07	1.70%
OTHER	9,237	0.11	2.36	2.48	2.40	0.00	2.52	0.04	1.70%
POL	9,205	0.11	2.37	2.48	2.41	0.00	2.52	0.04	1.70%
AL	32	0.08	1.46	1.55	1.49	0.00	1.57	0.03	1.70%
TOTAL		2.43	4.56	6.98	4.63	0.04	7.10	0.12	1.69%
Less:									
E/C for Shopping Customers			0.56						
TOTAL Reflecting PLR		2.43	4.00	6.98	4.63	0.04	7.10	0.12	

(a) Includes ITC

(b) $(1 - .044) / (1 - .06) = 1.01702$

Exhibit 1

Attachment D

Year 2002
Rate R

Electric PA PUC No. 3

	Billing Determinants		Pricing	Revenue	Growth Ratio	New Pricing for Distribution	New Distribution Revenue @ 0.91745	Per Reconciliation		Pricing (c)	Revenue (d) @ 1.01702 (11)
	(4)		(5)=(6)/(4)	(6)	(7)=(6)x1.024			Pricing (a) (8)	Revenue (b) (9)		
(25) Fixed Distribution Charge	13,709,923	Bills	\$ 5.10	\$ 69,920,607	\$ 71,612,162						
(26)											
(27) Transmission Service Charge											
(28) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0055	\$ 29,542,074	\$ 30,256,771						
(29) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0055	\$ 5,916,395	\$ 6,059,528						
(30) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0063	\$ 7,598,340	\$ 7,782,163						
(31)				\$ 43,056,810	\$ 44,098,462						
(32) Variable Distribution Charge											
(33) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0457	\$ 247,567,493	\$ 253,556,772	\$ 0.0419	\$ 232,626,130				
(34) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0457	\$ 49,580,377	\$ 50,779,851	\$ 0.0419	\$ 46,588,068				
(35) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0531	\$ 63,675,354	\$ 65,215,821	\$ 0.0487	\$ 59,832,375				
(36)				\$ 360,823,223	\$ 369,552,444		\$ 339,046,574				
(37) Competitive Transition Charge											
(38) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0293	\$ 158,763,992	\$ 162,604,892	\$ 0.0275	\$ 152,533,341				
(39) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0293	\$ 31,795,687	\$ 32,564,904	\$ 0.0275	\$ 30,547,873				
(40) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0339	\$ 40,574,196	\$ 41,555,788	\$ 0.0318	\$ 38,981,873				
(41)				\$ 231,133,875	\$ 236,725,584		\$ 222,063,087				
(42) Electric Generation											
(43) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0500	\$ 270,900,742	\$ 277,454,511	\$ 0.0518	\$ 287,526,062	\$ 0.0527	\$ 292,419,756		
(44) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0500	\$ 54,253,330	\$ 55,565,854	\$ 0.0518	\$ 57,582,885	\$ 0.0527	\$ 58,562,946		
(45) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0558	\$ 66,895,413	\$ 68,513,781	\$ 0.0579	\$ 71,087,696	\$ 0.0589	\$ 72,297,609		
(46)				\$ 392,049,484	\$ 401,534,146		\$ 416,196,644		\$ 423,280,311		
(47)											
(48) Total Revenue				\$1,096,984,000	\$ 1,123,522,799						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

Year 2002
Rate RT

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.89001	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01702 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(29) Fixed Distribution Charge	143 bills	\$ 10.19	\$ 1,458	\$ 1,493						
(30)										
(31) Transmission Charge										
(32) Summer Off-peak kwh	32,901 kWh	\$ 0.0030	\$ 98	\$ 100						
(33) Summer On-peak kwh	8,067 kWh	\$ 0.0121	\$ 98	\$ 100						
(34) Winter Off-peak kwh	27,659 kWh	\$ 0.0030	\$ 82	\$ 84						
(35) Winter On-peak kwh	10,372 kWh	\$ 0.0111	\$ 115	\$ 118						
(36)			\$ 393	\$ 402						
(37) Variable Distribution Charge										
(38) Summer Off-peak kwh	32,901 kWh	\$ 0.0187	\$ 615	\$ 630	0.0166	\$ 560				
(39) Summer On-peak kwh	8,067 kWh	\$ 0.0761	\$ 614	\$ 628	0.0677	\$ 559				
(40) Winter Off-peak kwh	27,659 kWh	\$ 0.0187	\$ 517	\$ 529	0.0166	\$ 471				
(41) Winter On-peak kwh	10,372 kWh	\$ 0.0698	\$ 724	\$ 741	0.0621	\$ 660				
(42)			\$ 2,469	\$ 2,528		\$ 2,250				
(43) Competitive Transition Charge										
(44) Summer Off-peak kwh	32,901 kWh	\$ 0.0165	\$ 544	\$ 557			\$ 0.0155	\$ 523		
(45) Summer On-peak kwh	8,067 kWh	\$ 0.0627	\$ 507	\$ 519			\$ 0.0589	\$ 487		
(46) Winter Off-peak kwh	27,659 kWh	\$ 0.0165	\$ 458	\$ 469			\$ 0.0155	\$ 440		
(47) Winter On-peak kwh	10,372 kWh	\$ 0.0577	\$ 599	\$ 613			\$ 0.0542	\$ 575		
(48)			\$ 2,107	\$ 2,158				\$ 2,024		
(49) Electric Generation										
(50) Summer Off-peak kwh	32,901 kWh	\$ 0.0328	\$ 1,079	\$ 1,105			\$ 0.0338	\$ 1,140	\$ 0.0344	\$ 1,159
(51) Summer On-peak kwh	8,067 kWh	\$ 0.0896	\$ 722	\$ 740			\$ 0.0934	\$ 772	\$ 0.0951	\$ 785
(52) Winter Off-peak kwh	27,659 kWh	\$ 0.0328	\$ 907	\$ 929			\$ 0.0338	\$ 958	\$ 0.0344	\$ 975
(53) Winter On-peak kwh	10,372 kWh	\$ 0.0833	\$ 864	\$ 885			\$ 0.0868	\$ 923	\$ 0.0884	\$ 939
(54)			\$ 3,573	\$ 3,660				\$ 3,794		\$ 3,858
(55)										
(56) Total Revenue			\$ 10,000	\$ 10,242						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

Year 2002
Rate RH

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ .9236	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01702 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(29) Fixed Distribution Charge	1,824,041 bills	\$ 5.10	\$ 9,302,607	\$ 9,527,660						
(30)										
(31) Transmission Charge										
(32) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0055	\$ 2,513,424	\$ 2,574,230						
(33) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0064	\$ 2,259,924	\$ 2,314,597						
(34) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0055	\$ 3,239,862	\$ 3,318,242						
(35) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0023	\$ 3,236,047	\$ 3,314,335						
(36)			\$ 11,249,256	\$ 11,521,404						
(37) Variable Distribution Charge										
(38) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0435	\$ 19,912,151	\$ 20,393,876	\$ 0.0402	\$ 18,836,469				
(39) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0506	\$ 17,903,842	\$ 18,336,981	\$ 0.0467	\$ 16,936,652				
(40) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0435	\$ 25,667,227	\$ 26,288,182	\$ 0.0402	\$ 24,280,648				
(41) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0181	\$ 25,637,002	\$ 26,257,226	\$ 0.0167	\$ 24,252,056				
(42)			\$ 89,120,223	\$ 91,276,265		\$ 84,305,825				
(43) Competitive Transition Charge										
(44) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0293	\$ 13,408,817	\$ 13,733,210			\$ 0.0275	\$ 12,882,591		
(45) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0338	\$ 11,979,951	\$ 12,269,776			\$ 0.0318	\$ 11,509,801		
(46) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0293	\$ 17,284,277	\$ 17,702,427			\$ 0.0275	\$ 16,605,960		
(47) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0130	\$ 18,362,508	\$ 18,806,744			\$ 0.0122	\$ 17,641,877		
(48)			\$ 61,035,553	\$ 62,512,156				\$ 58,640,229		
(49) Total Electric Generation										
(50) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0522	\$ 23,870,510	\$ 24,447,998			\$ 0.0540	\$ 25,298,616	\$ 0.0549	\$ 25,729,199
(51) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0583	\$ 20,614,383	\$ 21,113,097			\$ 0.0603	\$ 21,873,072	\$ 0.0614	\$ 22,245,352
(52) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0522	\$ 30,769,644	\$ 31,514,039			\$ 0.0540	\$ 32,610,506	\$ 0.0549	\$ 33,165,537
(53) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0303	\$ 42,923,824	\$ 43,962,259			\$ 0.0311	\$ 45,127,126	\$ 0.0317	\$ 45,895,189
(54)			\$118,178,361	\$ 121,037,392				\$ 124,909,320		\$ 127,035,277
(55)										
(56) Total Revenue			\$288,886,000	\$ 295,874,878						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)
(b) CTC Revenue = CTC Factor * Column (7)

**Year 2002
Rate CAP**

Electric PA PUC No. 2 - Supplement No. 15

Electric PA PUC No. 3

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

	Trans.	Dist.	CTC	Energy	New Distr Pricing	Per Reconciliation		Energy ^(a) @ 1.01702
						CTC ^(a)	Energy	
(22) Cap 1								
(23) ¢/kWh for first 500 kWh	0.27	2.21	1.42	2.41	2.03	1.33	2.50	2.54
(24) ¢/kWh for additional kWh	0.55	4.57	2.93	5.00	4.19	2.75	5.18	5.27
(25) Cap 2								
(26) ¢/kWh for first 500 kWh	0.41	3.39	2.17	3.71	3.11	2.04	3.84	3.91
(27) ¢/kWh for additional kWh	0.55	4.57	2.93	5.00	4.19	2.75	5.18	5.27
(28)								
Rate RH								
(29) Cap 1								
(30) Winter								
(31) ¢/kWh for all kWh	0.27	2.10	1.42	2.52	1.94	1.33	2.61	2.65
(32) Summer								
(33) ¢/kWh for first 500 kWh	0.27	2.10	1.42	2.52	1.94	1.33	2.61	2.65
(34) ¢/kWh for additional kWh	0.55	4.35	2.93	5.22	4.02	2.75	5.40	5.49
(35) Cap 2								
(36) Winter								
(37) ¢/kWh for first 500 kWh	0.41	3.22	3.00	3.87	2.97	2.81	4.06	4.12
(38) ¢/kWh for additional kWh	0.27	2.10	1.42	2.52	1.94	1.33	2.61	2.65
(39) Summer								
(40) ¢/kWh for first 500 kWh	0.41	3.22	2.18	3.87	2.97	2.04	4.01	4.07
(41) ¢/kWh for additional kWh	0.55	4.35	2.93	5.22	4.02	2.75	5.40	5.49
(42)								

Customer Credit (first 500kWh per month) when obtaining Competitive Energy Supply

			Modified using Energy Charge @1.01702		
Rate R	CAP I	\$0.0268	Rate R	CAP I	\$0.0273
	CAP II	\$0.0134		CAP II	\$0.0136
Rate RH	CAP I	\$0.0279 (s)	Rate RH	CAP I	\$0.0284 (s)
		\$0.0279 (w)			\$0.0284 (w)
	CAP II	\$0.0140 (s)		CAP II	\$0.0142 (s)
		\$0.0134 (w)			\$0.0137 (w)

(a) CTC = CTC Revenue / (Usage * 1.024 growth factor)

Year 2002
Rate OP

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.90351	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01702 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(12) Fixed Distribution Charge (13)	1,182,948 Bills	\$ 4.58	\$ 5,417,900	\$ 5,548,973						
(14) Transmission Charge (15)	375,823,000 kWh	\$ 0.0005	\$ 178,554	\$ 182,874						
(16) Variable Distribution Charge (17)	375,823,000 kWh	\$ 0.0365	\$ 13,704,643	\$ 14,036,193	\$ 0.0329	\$ 12,681,908				
(18) Competitive Transition Charge (19)	375,823,000 kWh	\$ 0.0010	\$ 383,699	\$ 392,981			\$ 0.0010	\$ 368,640		
(20) Electric Generation Charges (21)	375,823,000 kWh	\$ 0.0168	\$ 6,328,204	\$ 6,481,299			\$ 0.0168	\$ 6,505,640	\$ 0.0172	\$ 6,616,366
(22) Total Revenue			\$26,013,000	\$ 26,642,320						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)
(b) CTC Revenue = CTC Factor * Column (7)

Year 2002
Rate GS

Electric PA PUC No. 3

	Billing Determinants (4)		Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.91096	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01702 (11)
								Pricing (a) (8)	Revenue (b) (9)		
(35) Fixed Distribution Charge											
(36) Single-Phase	1,847,446	Bills	\$ 8.67	\$ 16,017,355	\$ 16,404,855						
(37) Poly-Phase	657,007	Bills	\$ 23.45	\$ 15,406,804	\$ 15,779,533						
(38)				\$ 31,424,159	\$ 32,184,388						
(39) Transmission Charge											
(40) First 80 Hours Use	#####	kWh	\$ 0.0127	\$ 18,951,130	\$ 19,409,606						
(41) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0060	\$ 3,924,719	\$ 4,019,668						
(42) Additional Use-Except	#####	kWh	\$ 0.0038	\$ 13,894,392	\$ 14,230,532						
(43) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0016	\$ 250,363	\$ 256,420						
(44) Space Heating	556,994,349	kWh	\$ 0.0030	\$ 1,646,781	\$ 1,686,621						
(45)				\$ 38,667,386	\$ 39,602,848						
(46) Variable Distribution Charge											
(47) First 80 Hours Use	#####	kWh	\$ 0.0358	\$ 53,526,647	\$ 54,821,591	\$ 0.0326	\$ 49,940,028				
(48) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0168	\$ 11,085,200	\$ 11,353,379	\$ 0.0153	\$ 10,342,423				
(49) Additional Use-Except	#####	kWh	\$ 0.0106	\$ 39,244,109	\$ 40,193,523	\$ 0.0097	\$ 36,614,509				
(50) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0047	\$ 707,141	\$ 724,248	\$ 0.0042	\$ 659,758				
(51) Space Heating	556,994,349	kWh	\$ 0.0084	\$ 4,651,262	\$ 4,763,788	\$ 0.0076	\$ 4,339,598				
(52)				#####	\$ 111,856,529		\$ 101,896,316				
(53) Competitive Transition Charge											
(54) First 80 Hours Use	#####	kWh	\$ 0.0702	#####	\$ 107,312,870			\$ 0.0689	\$ 105,408,948		
(55) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0337	\$ 22,161,964	\$ 22,698,118			\$ 0.0331	\$ 22,295,413		
(56) Additional Use-Except	#####	kWh	\$ 0.0217	\$ 80,269,761	\$ 82,211,688			\$ 0.0213	\$ 80,753,106		
(57) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0103	\$ 1,559,499	\$ 1,597,227			\$ 0.0101	\$ 1,568,889		
(58) Space Heating	556,994,349	kWh	\$ 0.0173	\$ 9,671,330	\$ 9,905,304			\$ 0.0171	\$ 9,729,566		
(59)				#####	\$ 223,725,207				\$ 219,755,922		
(60) Electric Generation Charge											
(61) First 80 Hours Use	#####	kWh	\$ 0.1027	#####	\$ 157,106,149			\$ 0.1040	\$ 159,010,071	\$ 0.1057	\$ 161,716,422
(62) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0559	\$ 36,817,220	\$ 37,707,921			\$ 0.0565	\$ 38,110,626	\$ 0.0575	\$ 38,759,269
(63) Additional Use-Except	#####	kWh	\$ 0.0406	#####	\$ 153,738,388			\$ 0.0410	\$ 155,196,970	\$ 0.0417	\$ 157,838,423
(64) Over 400 Hrs & 2000 kwh	151,907,550	kWh	\$ 0.0259	\$ 3,939,068	\$ 4,034,364			\$ 0.0261	\$ 4,062,702	\$ 0.0266	\$ 4,131,849
(65) Space Heating	556,994,349	kWh	\$ 0.0350	\$ 19,511,167	\$ 19,983,191			\$ 0.0352	\$ 20,158,929	\$ 0.0359	\$ 20,502,034
(66)				#####	\$ 372,570,013				\$ 376,539,298		\$ 382,947,997
(67)											
(68) Total Revenue				#####	\$ 779,938,985						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

**Year 2002
Off-Peak Thermal Storage Provision**

Off-Peak Thermal Storage Pricing Development

	<u>On-Peak</u>	<u>New Distr Pricing</u>	<u>Per Reconciliation</u>	<u>Revenue ^(a) @ 1.01702</u>
Transmission	0.25 ¢/kWh	\$ 1.98		
Distribution	2.17 ¢/kWh			
CTC	1.34 ¢/kWh		\$ 1.32	
Market Energy	2.61 ¢/kWh		\$ 2.63	\$ 2.68
Bundled	6.37 ¢/kWh			

	<u>Off-Peak</u>	<u>New Distr Pricing</u>	<u>Per Reconciliation</u>	<u>Revenue ^(a) @ 1.01702</u>
	0.16 ¢/kWh	1.28		
	1.41 ¢/kWh			
	0.88 ¢/kWh		\$ 0.86	
	1.70 ¢/kWh		\$ 1.72	\$ 1.74
	4.15 ¢/kWh			

Night Service GS Rider

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

Rate GS Minimum Charge

		<u>New Distr Pricing</u>	<u>Per Reconciliation</u>	<u>Revenue ^(a) @ 1.01702</u>
Variable Distribution	\$ 0.92 per kW	\$ 0.84		
Transmission	\$ 0.33 per kW			
CTC	\$ 1.85 per kW		\$ 1.82	
Energy and Capacity	\$ 3.07 per kW		\$ 3.10	\$ 3.16
	\$ 6.17			

(a) Revenue @ 1.01702 = Energy and Capacity Revenue * 1.01702

Year 2002
Rate PD

Electric PA PUC No. 3

	Billing Determinants		Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.91622	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01702 (11)
	(4)							Pricing (a) (8)	Revenue (b) (9)		
(33) Fixed Distribution Charge	12,259	Bills	\$ 275.28	\$ 3,374,777	\$ 3,456,421						
(34)											
(35) Transmission Charge											
(36) Capacity Charge	2,814,280	kW	\$ 0.56	\$ 1,582,117	\$ 1,620,393						
(37) First 150 hrs use	435,697,564	kWh	\$ 0.0050	\$ 2,163,707	\$ 2,218,053						
(38) Next 150 hrs use	355,277,140	kWh	\$ 0.0029	\$ 1,043,154	\$ 1,068,391						
(39) Additional use	290,681,296	kWh	\$ 0.0009	\$ 272,267	\$ 278,854						
(40)				\$ 5,061,246	\$ 5,183,690						
(41) Variable Distribution Charge											
(42) Capacity Charge	2,814,280	kW	\$ 1.79	\$ 5,038,839	\$ 5,160,741	\$ 1.64	\$ 4,728,387				
(43) First 150 hrs use	435,697,564	kWh	\$ 0.0158	\$ 6,891,128	\$ 7,057,842	\$ 0.0145	\$ 6,466,553				
(44) Next 150 hrs use	355,277,140	kWh	\$ 0.0094	\$ 3,322,311	\$ 3,402,686	\$ 0.0086	\$ 3,117,617				
(45) Additional use	290,681,296	kWh	\$ 0.0030	\$ 867,135	\$ 888,114	\$ 0.0027	\$ 813,710				
(46)				\$ 16,119,413	\$ 16,509,382		\$ 15,126,266				
(47) Competitive Transition Charge											
(48) Capacity Charge	2,814,280	kW	\$ 3.01	\$ 8,470,886	\$ 8,675,818		\$ 2.96	\$ 8,521,893			
(49) First 150 hrs use	435,697,564	kWh	\$ 0.0279	\$ 12,163,518	\$ 12,457,784		\$ 0.0274	\$ 12,236,760			
(50) Next 150 hrs use	355,277,140	kWh	\$ 0.0170	\$ 6,057,094	\$ 6,203,630		\$ 0.0167	\$ 6,093,567			
(51) Additional use	290,681,296	kWh	\$ 0.0064	\$ 1,843,854	\$ 1,888,461		\$ 0.0062	\$ 1,854,956			
(52)				\$ 28,535,351	\$ 29,225,693			\$ 28,707,177			
(53) Night Service Rider											
(54) Fixed Distribution Charge	3,432	Bills	\$ 11.21	\$ 38,473	\$ 39,404						
(55) Demand Charge	16,617	kW	\$ 0.86	\$ 14,291	\$ 14,637	\$ 0.81	\$ 13,411				
(56)				\$ 52,764	\$ 54,040		\$ 13,411				
(57) Electric Generation Charge											
(58) Capacity Charge	2,814,280	kW	\$ 3.89	\$ 10,940,252	\$ 11,204,924		\$ 3.94	\$ 11,358,849	\$ 4.01	\$ 11,552,176	
(59) First 150 hrs use	435,697,564	kWh	\$ 0.0490	\$ 21,349,299	\$ 21,865,792		\$ 0.0495	\$ 22,086,815	\$ 0.0503	\$ 22,462,733	
(60) Next 150 hrs use	355,277,140	kWh	\$ 0.0350	\$ 12,421,761	\$ 12,722,275		\$ 0.0353	\$ 12,832,338	\$ 0.0359	\$ 13,050,745	
(61) Additional use	290,681,296	kWh	\$ 0.0211	\$ 6,144,137	\$ 6,292,779		\$ 0.0213	\$ 6,326,284	\$ 0.0216	\$ 6,433,957	
(62)				\$ 50,855,449	\$ 52,085,770			\$ 52,604,286		\$ 53,499,611	
(63)											
(64) Total Revenue				\$ 103,999,000	\$ 106,514,997						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

Year 2002
Rate HT

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.92535	Per Reconciliation		Pricing ' (c) (9)	Revenue (d) w/ Factor 1.01702 (10)
							Pricing (a) (8)	Revenue (b) (9)		
(33) Fixed Distribution Charge	27,747 Bills	\$ 286.86	\$ 7,959,474	\$ 8,152,034						
(34)										
(35) Transmission Charge										
(36) Capacity Charge	24,898,251 kW	\$ 0.79	\$ 19,719,147	\$ 20,196,202						
(37) First 150 hrs use	2,130,931,747 kWh	\$ 0.0042	\$ 9,006,974	\$ 9,224,875						
(38) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0025	\$ 12,723,737	\$ 13,031,556						
(39) Additional use	6,232,767,691 kWh	\$ 0.0008	\$ 4,874,003	\$ 4,991,918						
(40)			\$ 46,323,861	\$ 47,444,552						
(41) Variable Distribution Charge										
(42) Capacity Charge	24,898,251 kW	\$ 1.66	\$ 41,228,329	\$ 42,225,745	\$ 1.53	\$ 39,073,793				
(43) First 150 hrs use	2,130,931,747 kWh	\$ 0.0088	\$ 18,831,570	\$ 19,287,153	\$ 0.0082	\$ 17,847,458				
(44) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0052	\$ 26,602,490	\$ 27,246,071	\$ 0.0048	\$ 25,212,281				
(45) Additional use	6,232,767,691 kWh	\$ 0.0016	\$ 10,190,452	\$ 10,436,984	\$ 0.0015	\$ 9,657,913				
(46)			\$ 96,852,840	\$ 99,195,954		\$ 91,791,444				
(47) Competitive Transition Charge										
(48) Capacity Charge	24,898,251 kW	\$ 4.60	\$ 114,639,657	\$ 117,413,078			\$ 4.52	\$ 115,329,961		
(49) First 150 hrs use	2,130,931,747 kWh	\$ 0.0259	\$ 54,985,399	\$ 56,315,634			\$ 0.0254	\$ 55,316,494		
(50) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0157	\$ 80,246,327	\$ 82,187,687			\$ 0.0155	\$ 80,729,531		
(51) Additional use	6,232,767,691 kWh	\$ 0.0058	\$ 36,005,467	\$ 36,876,530			\$ 0.0057	\$ 36,222,275		
(52)			\$ 285,876,851	\$ 292,792,930				\$ 287,598,260		
(53) Night Service Rider										
(54) Customer Charge	3,840 Bills	\$ 11.21	\$ 43,046	\$ 44,087						
(55) Demand Charge	525,737 kW	\$ 0.91	\$ 478,421	\$ 489,995	\$ 0.84	\$ 453,419				
(56)			\$ 521,467	\$ 534,083		\$ 453,419				
(57) Electric Generation										
(58) Capacity Charge	24,898,251 kW	\$ 5.71	\$ 142,114,553	\$ 145,552,661			\$ 5.79	\$ 147,635,778	\$ 5.89	\$ 150,148,539
(59) First 150 hrs use	2,130,931,747 kWh	\$ 0.0440	\$ 93,830,299	\$ 96,100,290			\$ 0.0445	\$ 97,099,430	\$ 0.0453	\$ 98,752,062
(60) Next 150 hrs use	5,099,537,202 kWh	\$ 0.0316	\$ 160,901,992	\$ 164,794,615			\$ 0.0318	\$ 166,252,771	\$ 0.0324	\$ 169,082,394
(61) Additional use	6,232,767,691 kWh	\$ 0.0192	\$ 119,707,912	\$ 122,603,948			\$ 0.0193	\$ 123,258,203	\$ 0.0196	\$ 125,356,058
(62)			\$ 516,554,756	\$ 529,051,513				\$ 534,246,183		\$ 543,339,053
(63)										
(64) Base Revenue			\$ 954,089,249	\$ 977,171,064						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

Year 2002
Rate HT

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @	Per Reconciliation		Pricing (c) (9)	Revenue (d) w/ Factor 1.01702 (10)
							Pricing (a) (8)	Revenue (b) (9)		
(37) High Voltage Discount										
(38) >66 kV			\$ (180)	\$ (184)		\$ (171)				
(39) 66 kV			\$ (8,983)	\$ (9,200)		\$ (8,514)				
(40) 33 kV			\$ (611,242)	\$ (626,029)		\$ (579,299)				
(41)			\$ (620,405)	\$ (635,414)		\$ (587,983)				
(42) HT Auxiliary Service Rider										
(43) Firm kW										
(44) Transmission	314,340 kW	\$ 0.1500	\$ 47,706	\$ 48,860						
(45) Distribution	314,340 kW	\$ 0.3300	\$ 103,727	\$ 106,236	\$ 0.31	\$ 98,306				
(46) Competitive Transition Chrg	314,340 kW	\$ 0.8800	\$ 276,619	\$ 283,311			\$ 0.8645	\$ 278,285		
(47) Electric Generation	314,340 kW	\$ 1.6400	\$ 515,907	\$ 528,388			\$ 1.6555	\$ 533,415	\$ 1.6854	\$ 542,493
(48)		\$ 3.00	\$ 943,959	\$ 966,796						
(49)										
(50) Firm kWh										
(51) Transmission	46,820,419 kWh	\$ 0.0040	\$ 185,460	\$ 189,947						
(52) Distribution	46,820,419 kWh	\$ 0.0086	\$ 403,243	\$ 412,999	\$ 0.0080	\$ 382,170				
(53) Competitive Transition Chrg	46,820,419 kWh	\$ 0.0229	\$ 1,071,720	\$ 1,097,647			\$ 0.0225	\$ 1,078,173		
(54) Electric Generation	46,820,419 kWh	\$ 0.0428	\$ 2,005,616	\$ 2,054,137			\$ 0.0432	\$ 2,073,611	\$ 0.0440	\$ 2,108,904
(55)		\$ 0.0783	\$ 3,666,039	\$ 3,754,730						
(56)										
(57) Interruptable kWh										
(58) Transmission	35,721,342 kWh	\$ 0.0008	\$ 28,577	\$ 29,268						
(59) Distribution	35,721,342 kWh	\$ 0.0016	\$ 57,154	\$ 58,537	\$ 0.0015	\$ 54,167				
(60) Competitive Transition Chrg	35,721,342 kWh	\$ 0.0058	\$ 207,184	\$ 212,196			\$ 0.0057	\$ 208,431		
(61) Electric Generation	35,721,342 kWh	\$ 0.0192	\$ 685,850	\$ 702,442			\$ 0.0193	\$ 706,207	\$ 0.0196	\$ 718,227
(62)		\$ 0.0274	\$ 978,765	\$ 1,002,444						
(63)										
(64) Curtailment Rider			\$ (286,778)	\$ (293,716)						
(65)										
(66) LILR										
(67) Transmission	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,477,400						
(68) Distribution	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,477,400	\$ 0.0048	\$ 3,217,828				
(69) Electric Generation			\$ 19,377,590	\$ 19,846,383						
(70)			\$ 26,168,110	\$ 26,801,182						
(71)										
(72) Adjusted Base Revenue			\$ 984,938,939	\$ 1,008,767,086						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

Year 2002
Rate POL

	Quantity	Annual kWh	Monthly Bundled Charge	Annual Bundled Revenue	Monthly Unbundled Charges			Elec. Gen.	New Distr Pricing	Per Reconciliation			Annual Unbundled Revenue			Elec. Gen.	Total	New Distr Revenue @ 0.93097	Per Reconciliation		Elec Gen @ 1.01702			
					Trans.	Dist.	CTC			CTC	Elec Gen	Elec Gen @ 1.01702	Trans.	Dist.	CTC				CTC	Elec Gen		Elec Gen		
Mercury Vapor																								
Company Pole																								
4000 Lumens	288	527	3578	\$12.72	\$45,487	80381.071	\$80,441	\$0.08	\$11.18	\$0.04	\$1.44	\$ 10.18	\$0.04	\$1.44	\$1.47	\$ 379	\$ 70,692	\$ 257	\$ 0,113	\$ 80,441	\$ 85,813	\$ 252	\$ 9,118	\$ 9,273
6000 Lumens	153	270	1838	\$17.27	\$31,708	58031.75	\$55,955	\$0.09	\$15.15	\$0.07	\$1.98	\$ 13.77	\$0.07	\$1.98	\$1.99	\$ 282	\$ 49,094	\$ 230	\$ 6,339	\$ 55,955	\$ 45,705	\$ 226	\$ 6,343	\$ 6,451
12000 Lumens	214	378	2568	\$21.30	\$54,898	98859.332	\$98,617	\$0.11	\$18.87	\$0.10	\$2.41	\$ 18.97	\$0.10	\$2.41	\$2.48	\$ 498	\$ 84,700	\$ 473	\$ 10,946	\$ 98,617	\$ 78,853	\$ 484	\$ 10,955	\$ 11,141
20000 Lumens	557	984	6884	\$27.48	\$183,878	324580.44	\$324,484	\$0.14	\$24.10	\$0.13	\$3.11	\$ 21.90	\$0.13	\$3.11	\$3.16	\$ 1,653	\$ 284,521	\$ 1,550	\$ 38,780	\$ 324,484	\$ 264,881	\$ 1,522	\$ 36,788	\$ 37,414
22000 Lumens	23	41	278	\$29.72	\$8,203	14495.295	\$14,822	\$0.16	\$28.06	\$0.14	\$3.37	\$ 23.88	\$0.14	\$3.37	\$3.43	\$ 79	\$ 12,819	\$ 68	\$ 1,857	\$ 14,822	\$ 11,934	\$ 66	\$ 1,859	\$ 1,687
Customer Pole																								
4000 Lumens	198	348	2352	\$11.45	\$28,930	47589.591	\$47,540	\$0.06	\$10.01	\$0.06	\$1.30	\$ 9.10	\$0.06	\$1.30	\$1.32	\$ 249	\$ 41,582	\$ 344	\$ 5,388	\$ 47,540	\$ 38,893	\$ 338	\$ 5,392	\$ 5,484
8000 Lumens	80	141	960	\$18.05	\$15,408	27227.881	\$27,157	\$0.09	\$14.03	\$0.11	\$1.82	\$ 12.75	\$0.11	\$1.82	\$1.85	\$ 152	\$ 23,739	\$ 189	\$ 3,077	\$ 27,157	\$ 22,100	\$ 188	\$ 3,080	\$ 3,132
12000 Lumens	128	228	1536	\$20.21	\$31,043	54856.324	\$54,910	\$0.11	\$17.87	\$0.14	\$2.29	\$ 16.06	\$0.14	\$2.29	\$2.33	\$ 298	\$ 47,921	\$ 381	\$ 6,209	\$ 54,810	\$ 44,813	\$ 374	\$ 6,216	\$ 6,322
20000 Lumens	548	969	6576	\$28.05	\$171,305	302718.32	\$302,597	\$0.14	\$22.78	\$0.18	\$2.95	\$ 20.71	\$0.18	\$2.95	\$3.00	\$ 1,826	\$ 284,812	\$ 2,078	\$ 34,281	\$ 302,597	\$ 246,347	\$ 2,041	\$ 34,318	\$ 34,902
22000 Lumens	6	11	72	\$28.28	\$2,037	3599.4373	\$3,734	\$0.16	\$24.74	\$0.19	\$3.20	\$ 22.48	\$0.18	\$3.21	\$3.26	\$ 21	\$ 3,288	\$ 24	\$ 423	\$ 3,734	\$ 3,040	\$ 24	\$ 423	\$ 430
Sodium Vapor																								
Company Pole																								
5800 Lumens	29	51	348	\$17.39	\$6,052	10694.192	\$10,643	\$0.09	\$15.28	\$0.07	\$1.97	\$ 13.87	\$0.07	\$1.97	\$2.00	\$ 55	\$ 9,340	\$ 42	\$ 1,206	\$ 10,843	\$ 8,895	\$ 42	\$ 1,206	\$ 1,227
25000 Lumens	74	131	888	\$27.70	\$24,598	43467.224	\$43,544	\$0.14	\$24.29	\$0.14	\$3.14	\$ 22.08	\$0.13	\$3.15	\$3.20	\$ 220	\$ 38,177	\$ 214	\$ 4,833	\$ 43,544	\$ 35,542	\$ 211	\$ 4,938	\$ 5,020
50000 Lumens	274	484	3288	\$30.41	\$99,988	176892.21	\$176,821	\$0.16	\$26.66	\$0.15	\$3.45	\$ 24.23	\$0.15	\$3.45	\$3.51	\$ 928	\$ 154,818	\$ 867	\$ 20,009	\$ 176,821	\$ 144,129	\$ 852	\$ 20,024	\$ 20,385
50000 Lumens	285	488	3180	\$32.64	\$103,795	183419.89	\$183,308	\$0.17	\$28.81	\$0.17	\$3.70	\$ 26.00	\$0.16	\$3.71	\$3.77	\$ 955	\$ 180,848	\$ 938	\$ 20,788	\$ 183,308	\$ 149,560	\$ 919	\$ 20,783	\$ 21,137
Customer Pole																								
5800 Lumens	13	23	156	\$18.15	\$2,518	4452.1142	\$4,457	\$0.09	\$14.12	\$0.11	\$1.83	\$ 12.83	\$0.11	\$1.83	\$1.86	\$ 25	\$ 3,897	\$ 30	\$ 505	\$ 4,457	\$ 3,828	\$ 30	\$ 505	\$ 514
25000 Lumens	23	41	276	\$28.27	\$7,251	12812.631	\$12,925	\$0.14	\$22.97	\$0.18	\$2.98	\$ 20.88	\$0.18	\$2.98	\$3.03	\$ 69	\$ 11,301	\$ 90	\$ 1,484	\$ 12,925	\$ 10,521	\$ 89	\$ 1,485	\$ 1,490
50000 Lumens	92	163	1104	\$28.88	\$31,994	56537.503	\$56,885	\$0.16	\$25.34	\$0.20	\$3.28	\$ 23.03	\$0.19	\$3.29	\$3.34	\$ 313	\$ 49,585	\$ 385	\$ 6,422	\$ 56,885	\$ 48,144	\$ 378	\$ 6,429	\$ 6,538
50000 Lumens	115	203	1380	\$31.21	\$43,070	78110.053	\$78,028	\$0.17	\$27.29	\$0.21	\$3.54	\$ 24.81	\$0.21	\$3.54	\$3.60	\$ 414	\$ 66,478	\$ 522	\$ 8,613	\$ 78,028	\$ 61,890	\$ 513	\$ 8,622	\$ 8,769
Standard Metal Halide																								
Company Pole																								
36000 Lumens	108	191	1298	\$32.14	\$41,853	73807.157	\$73,885	\$0.17	\$28.17	\$0.16	\$3.64	\$ 25.80	\$0.16	\$3.64	\$3.71	\$ 390	\$ 64,583	\$ 387	\$ 8,345	\$ 73,885	\$ 60,108	\$ 381	\$ 8,351	\$ 8,493
110000 Lumens	23	41	278	\$56.30	\$15,538	27458.122	\$27,700	\$0.30	\$49.29	\$0.33	\$8.38	\$ 44.80	\$0.33	\$8.38	\$8.48	\$ 148	\$ 24,250	\$ 164	\$ 3,138	\$ 27,700	\$ 22,578	\$ 161	\$ 3,141	\$ 3,194
Customer Pole																								
36000 Lumens	85	115	780	\$30.75	\$23,985	42384.878	\$42,435	\$0.17	\$28.89	\$0.21	\$3.48	\$ 24.44	\$0.20	\$3.48	\$3.55	\$ 235	\$ 37,108	\$ 285	\$ 4,807	\$ 42,435	\$ 34,547	\$ 280	\$ 4,812	\$ 4,894
110000 Lumens	10	18	120	\$54.91	\$8,589	11643.991	\$11,861	\$0.30	\$48.01	\$0.38	\$8.22	\$ 43.64	\$0.37	\$8.23	\$8.33	\$ 65	\$ 10,370	\$ 82	\$ 1,344	\$ 11,861	\$ 9,854	\$ 80	\$ 1,348	\$ 1,369
Standard High Pressure Sodium Vapor																								
Company Pole																								
5800 Lumens	10	18	120	\$18.55	\$2,346	4145.9934	\$4,223	\$0.10	\$17.18	\$0.08	\$2.21	\$ 15.80	\$0.08	\$2.21	\$2.25	\$ 22	\$ 3,706	\$ 17	\$ 478	\$ 4,223	\$ 3,450	\$ 18	\$ 478	\$ 487
9500 Lumens	6	11	72	\$20.67	\$1,488	2629.9176	\$2,728	\$0.11	\$18.14	\$0.08	\$2.34	\$ 16.49	\$0.08	\$2.34	\$2.38	\$ 15	\$ 2,394	\$ 10	\$ 308	\$ 2,728	\$ 2,229	\$ 10	\$ 309	\$ 314
18000 Lumens	5	9	60	\$22.59	\$1,355	2385.1717	\$2,440	\$0.12	\$19.82	\$0.09	\$2.56	\$ 18.01	\$0.09	\$2.56	\$2.60	\$ 13	\$ 2,140	\$ 10	\$ 276	\$ 2,440	\$ 1,993	\$ 10	\$ 276	\$ 281
25000 Lumens	41	72	482	\$28.54	\$13,058	23074.854	\$22,931	\$0.14	\$23.27	\$0.13	\$3.01	\$ 21.15	\$0.12	\$3.02	\$3.07	\$ 121	\$ 20,104	\$ 108	\$ 2,588	\$ 22,931	\$ 18,718	\$ 106	\$ 2,600	\$ 2,644
50000 Lumens	115	203	1380	\$32.20	\$44,436	78524.31	\$78,438	\$0.17	\$28.22	\$0.16	\$3.85	\$ 25.65	\$0.16	\$3.85	\$3.71	\$ 414	\$ 68,739	\$ 400	\$ 8,886	\$ 78,438	\$ 63,994	\$ 393	\$ 8,893	\$ 9,041
Customer Pole																								
5800 Lumens	1	2	12	\$18.18	\$218	385.09356	\$438	\$0.10	\$15.88	\$0.12	\$2.06	\$ 14.43	\$0.12	\$2.06	\$2.09	\$ 2	\$ 381	\$ 3	\$ 49	\$ 436	\$ 355	\$ 3	\$ 49	\$ 50
9500 Lumens	4	7	48	\$19.28	\$925	1635.3753	\$1,620	\$0.11	\$18.86	\$0.13	\$2.18	\$ 15.33	\$0.12	\$2.19	\$2.22	\$ 9	\$ 1,418	\$ 11	\$ 183	\$ 1,620	\$ 1,318	\$ 10	\$ 184	\$ 187
16000 Lumens	1	2	12	\$21.20	\$254	449.55856	\$508	\$0.12	\$18.54	\$0.14	\$2.40	\$ 16.85	\$0.14	\$2.40	\$2.45	\$ 3	\$ 445	\$ 3	\$ 58	\$ 509	\$ 414	\$ 3	\$ 58	\$ 59
25000 Lumens	13	23	156	\$25.14	\$3,922	6930.4118	\$6,939	\$0.14	\$21.98	\$0.17	\$2.85	\$ 19.98	\$0.17	\$2.85	\$2.90	\$ 38	\$ 6,068	\$ 47	\$ 786	\$ 6,939	\$ 5,648	\$ 47	\$ 786	\$ 799
50000 Lumens	19	34	228	\$30.80	\$7,022	12408.513	\$12,566	\$0.17	\$26.93	\$0.21	\$3.49	\$ 24.48	\$0.21	\$3.49	\$3.55	\$ 69	\$ 10,987	\$ 86	\$ 1,424	\$ 12,566	\$ 10,229	\$ 84	\$ 1,426	\$ 1,450
Summary																								
	6,202			\$1,052,553	\$1,880,000	\$1,860,858										\$ 9,772	\$ 1,829,820	\$ 10,274	\$ 210,780	\$1,860,858	\$ 1,517,318	\$ 10,092	\$ 210,072	\$ 214,563
																\$ 10,009	\$ 1,869,249	\$ 10,522	\$ 215,889	\$1,905,670	\$ 1,554,025	\$ 10,334	\$ 215,830	\$ 219,503

(a) Elec Gen @ 1.01702 = Revenue Factor 1.01702 * Elec Gen (Reconciliation)

Year 2002
Rate SL-P

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01702 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(27) Facilities Charge										
(28) City Control	93,161	\$ 8.64	\$ 9,658,903	\$ 9,892,576	\$ 8.04	\$ 9,208,519				
(29) Company Control - Aerial	-	\$ 9.24	\$ -	\$ -						
(30) Company Control - Underground	-	\$ 12.89	\$ -	\$ -						
(31)			\$ 9,658,903	\$ 9,892,576						
(32) Transmission Charge										
(33) Capacity Charge	179,516,200 W	\$ 0.0002	\$ 43,146	\$ 44,190						
(34) Energy Charge	88,803,000 kWh	\$ 0.0012	\$ 110,409	\$ 113,080						
(35)			\$ 153,555	\$ 157,270						
(36) Variable Distribution Chg.										
(37) Capacity Charge	179,516,200 W	\$ 0.0015	\$ 271,090	\$ 277,649	\$ 0.0014	\$ 258,450				
(38) Energy Charge	88,803,000 kWh	\$ 0.0078	\$ 693,714	\$ 710,496	\$ 0.0073	\$ 661,367				
(39)			\$ 964,804	\$ 988,145		\$ 919,816				
(40) CTC Charge										
(41) Capacity Charge	179,516,200 W	\$ 0.0008	\$ 134,703	\$ 137,962			\$ 0.0007	\$ 135,514		
(42) Energy Charge	88,803,000 kWh	\$ 0.0055	\$ 482,018	\$ 493,679			\$ 0.0053	\$ 484,920		
(43)			\$ 616,721	\$ 631,641				\$ 620,434		
(44)										
(45) Outage Allowance			\$ (8,616)	\$ (8,824)						
(46)										
(47) Electric Generation Charge										
(48) Capacity Charge	179,516,200 W	\$ 0.0012	\$ 215,271	\$ 220,479			\$ 0.0013	\$ 222,927	\$ 0.0012	\$ 226,721
(49) Energy Charge	88,803,000 kWh	\$ 0.0239	\$ 2,123,894	\$ 2,175,277			\$ 0.0241	\$ 2,184,035	\$ 0.0244	\$ 2,221,208
(50)			\$ 2,339,165	\$ 2,395,755				\$ 2,406,962		\$ 2,447,928
(51)										
(52) Total Revenue			\$ 13,724,532	\$ 14,056,563						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

Year 2002
Rate SLE

Electric PA PUC No. 3 - Supplement 10

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7) = (6) * 1.02	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01702 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(23) Service Location Charge - Trans.	831,508 Locations	\$ -	\$ -	\$ -						
(24) Service Location Charge - Dist	831,508 Locations	\$ 7.00	\$ 5,820,557	\$ 5,960,250	\$ 6.51	\$ 5,548,108				
(25) Service Location Charge - CTC	831,508 Locations	\$ -	\$ -	\$ -						
(26)			\$ 5,820,557	\$ 5,960,250						
(27) Transmission Charge										
(28) Capacity Charge	136,607,992 Watt	\$ 0.00055	\$ 75,496	\$ 77,308						
(29) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -						
(30)			\$ 75,496	\$ 77,308						
(31) Variable Distribution Charge										
(32) Capacity Charge	136,607,992 Watt	\$ -	\$ -	\$ -						
(33) Energy Charge	47,017,000 kWh	\$ -	\$ -	\$ -						
(34)			\$ -	\$ -						
(35) Competitive Transition Charge										
(36) Capacity Charge	136,607,992 Watt	\$ 0.00062	\$ 84,163	\$ 86,183			\$ 0.00061	\$ 84,654		
(37) Energy Charge	47,017,000 kWh	\$ 0.00389	\$ 183,021	\$ 187,414			\$ 0.00385	\$ 184,088		
(38)			\$ 267,184	\$ 273,596				\$ 268,742		
(39) Electric Generation Charge										
(40) Capacity Charge	136,607,992 Watt	\$ 0.00289	\$ 395,447	\$ 404,938			\$ 0.00290	\$ 406,467	\$ 0.0030	\$ 413,385
(41) Energy Charge	47,017,000 kWh	\$ 0.03215	\$ 1,511,802	\$ 1,548,085			\$ 0.03219	\$ 1,551,410	\$ 0.0328	\$ 1,577,815
(42)			\$ 1,907,249	\$ 1,953,023				\$ 1,957,877		\$ 1,991,200
(43)										
(44) Total Revenue			\$ 8,070,485	\$ 7,990,580						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

Year 2002
Rate TL

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) / Factor 1.01702 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(12) Transmission Charge	39,681,000 kWh	\$ 0.0058	\$ 230,171	\$ 235,740						
(13) Variable Distribution Charge	39,681,000 kWh	\$ 0.0211	\$ 837,165	\$ 857,418	\$ 0.0196	\$ 798,129				
(16) Competitive Transition Charge	39,681,000 kWh	\$ 0.0328	\$ 1,300,286	\$ 1,331,744			\$ 0.0322	\$ 1,308,116		
(18) Unaccounted for			\$ 5,398	\$ 5,529						
(20) Market Generation	39,681,000 kWh	\$ 0.0544	\$ 2,159,979	\$ 2,212,235			\$ 0.0550	\$ 2,235,862	\$ 0.0560	\$ 2,273,916
(22) Total Revenue			\$ 4,533,000	\$ 4,642,665						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

**Year 2002
Rate EP**

Electric PA PUC No. 3

	<u>Billing Determinants</u> (4)		<u>Pricing</u> (5)=(6)/(4)	<u>Revenue</u> (6)	<u>Growth Ratio</u> (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.92490	<u>Per Reconciliation</u>		Pricing (c) (10)	Revenue (d) w/ Factor 1.01702 (11)
								<u>Pricing (a)</u> (8)	<u>Revenue (b)</u> (9)		
(21) Fixed Distribution Charge	465	Deliv. points	\$ 1,243.85	\$ 578,926	\$ 592,932						
(22)											
(23) Transmission Charge											
(24) Capacity Charge	1,770,350	kW	\$ 1.03	\$ 1,821,164	\$ 1,865,223						
(25) Energy Charge	638,800,000	kWh	\$ 0.0008	\$ 496,005	\$ 508,005						
(26)				\$ 2,317,169	\$ 2,373,227						
(27) Variable Distribution Charge											
(28) Capacity Charge	1,770,350	kW	\$ 2.98	\$ 5,283,838	\$ 5,411,667	\$ 2.76	\$ 5,005,235				
(29) Energy Charge	638,800,000	kWh	\$ 0.0023	\$ 1,439,085	\$ 1,473,900	\$ 0.0021	\$ 1,363,205				
(30)				\$ 6,722,923	\$ 6,885,567		\$ 6,368,440				
(31) Competitive Transition Charge											
(32) Capacity Charge	1,770,350	kW	\$ 5.45	\$ 9,640,407	\$ 9,873,632			\$ 5.35	\$ 9,698,457		
(33) Energy Charge	638,800,000	kWh	\$ 0.0053	\$ 3,402,935	\$ 3,485,261			\$ 0.0052	\$ 3,423,426		
(34)				\$ 13,043,342	\$ 13,358,893				\$ 13,121,883		
(35) Electric Generation Charge											
(36) Capacity Charge	1,770,350	kW	\$ 7.00	\$ 12,394,545	\$ 12,694,400			\$ 7.10	\$ 12,869,576	\$ 7.22	\$ 13,088,616
(37) Energy Charge	638,800,000	kWh	\$ 0.0190	\$ 12,165,095	\$ 12,459,399			\$ 0.0191	\$ 12,521,234	\$ 0.0195	\$ 12,734,346
(38)				\$ 24,559,640	\$ 25,153,799				\$ 25,390,810		\$ 25,822,962
(39)											
(40) Total Revenue				\$ 47,222,000	\$ 48,364,419						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

Year 2002
Rate AL

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01702 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(10) Transmission Charge (11)	31,472 kWh	\$ 0.0007	\$ 22	\$ 22						
(12) Variable Distribution Charge (13)	31,472 kWh	\$ 0.1112	\$ 3,499	\$ 3,583	\$ 0.1035	\$ 3,336				
(14) CTC Charge (15)	31,472 kWh	\$ 0.0008	\$ 26	\$ 27			\$ 0.0008	\$ 26		
(16) Market Generation (17)	31,472 kWh	\$ 0.0144	\$ 453	\$ 464			\$ 0.0144	\$ 465	\$ 0.0147	\$ 473
(18) Total Revenues			\$ 4,000	\$ 4,097						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

**Year 2002
Auxiliary Service Rider**

	Bundled	Trans.	Dist.	CTC	Energy	New Distr Pricing	Per Reconciliation			
							CTC	Energy	Energy ^(c) @ 1.01702	
FIRM BACK-UP POWER										
Demand Charge (\$/kW)										
All Customers	\$3.00	\$ 0.15	\$ 0.33	\$ 0.88	\$ 1.64	0.31 (a)	\$ 0.86	\$ 1.66	\$ 1.6836	
Energy Charge (\$/kWh)										
High Tension Voltage	\$ 0.0783	\$ 0.0040	\$ 0.0086	\$ 0.0229	\$ 0.0428	0.0080 (a)	\$ 0.0225	\$ 0.0432	\$ 0.0439	
Primary Voltage	\$ 0.0988	\$ 0.0048	\$ 0.0186	\$ 0.0271	\$ 0.0483	0.0172 (a)	\$ 0.0266	\$ 0.0488	\$ 0.0496	
Secondary Voltage	\$ 0.1245	\$ 0.0063	\$ 0.0230	\$ 0.0357	\$ 0.0595	0.0210 (b)	\$ 0.0351	\$ 0.0601	\$ 0.0612	
INTERRUPTIBLE BACK-UP POWER										
Energy Charge (\$/kWh)										
High Tension Voltage	\$ 0.0274	\$ 0.0008	\$ 0.0016	\$ 0.0058	\$ 0.0192	0.0015 (a)	\$ 0.0057	\$ 0.0193	\$ 0.0196	
Primary Voltage	\$ 0.0314	\$ 0.0009	\$ 0.0030	\$ 0.0064	\$ 0.0211	0.0028 (a)	\$ 0.0062	\$ 0.0213	\$ 0.0216	
Secondary Voltage	\$ 0.0637	\$ 0.0030	\$ 0.0084	\$ 0.0173	\$ 0.0350	0.0077 (b)	\$ 0.0171	\$ 0.0352	\$ 0.0358	

(a) refer to Rate HT multiplier

(b) refer to Rate GS multiplier

(c) Energy @ 1.01702 = Revenue Factor 1.01702 * Energy

**Year 2002
Employment and Economic Recovery Rider**

	Bundled (¢/kWh)	Tran (¢/kWh)	Dist (¢/kWh)	CTC (¢/kWh)	Energy (¢/kWh)	New Distr Pricing @ 0.92535	Per Reconciliation		Energy ^(*) @ 1.01702
							CTC	Energy	
Existing Location									
Years									
1-5	0.050	0.003	0.006	0.014	0.027	0.006	0.013	0.028	0.028
6	0.040	0.002	0.004	0.012	0.022	0.004	0.012	0.022	0.022
7	0.030	0.002	0.003	0.009	0.016	0.003	0.008	0.017	0.017
8	0.020	0.001	0.002	0.006	0.011	0.002	0.006	0.011	0.011
9	0.010	0.001	0.001	0.003	0.005	0.001	0.002	0.006	0.006
New Service Location									
Years									
1-5	1.000	0.051	0.110	0.292	0.547	0.102	0.287	0.552	0.562
6	0.800	0.041	0.088	0.233	0.438	0.081	0.229	0.442	0.449
7	0.600	0.030	0.066	0.176	0.328	0.061	0.173	0.331	0.337
8	0.400	0.020	0.044	0.117	0.219	0.041	0.115	0.221	0.225
9	0.200	0.010	0.022	0.059	0.109	0.020	0.058	0.110	0.112
Accelerated									
Years									
1-4	1.35	0.069	0.149	0.393	0.739	0.138	0.386	0.746	0.758

Year 2002
Seasonal Capacity Charge Service Rider

<u>Summer</u>	New Dist Pricing	Per Reconciliation	Revenue ^(a) @ 1.01702
Transmission	\$1.49		
Distribution	\$3.14	\$2.91	
CTC	\$8.67	\$ 8.52	
Market Energy	\$10.77	\$ 10.92	\$ 11.11
Bundled	\$24.07	\$24.07	

<u>Winter</u>	New Dist Pricing	Per Reconciliation	Revenue ^(a) @ 1.01702
	\$0.37		
	\$0.79	\$ 0.73	
	\$2.17	\$ 2.13	
	\$2.69	\$ 2.73	\$ 2.78
	\$6.02	\$6.02	

Cooling Thermal Storage HT Rider

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

(a) Revenue @ 1.01702 = Energy and Capacity Revenue * 1.01702

Year 2002
Suburban Street Lighting Rider

Electric PA PUC No. 3

	Billing Determinants (4)		Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01702 (11)
								Pricing (8)	Revenue (9)		
(23) Service Location Charge - Trans.	831,508	Locations	\$ 0.09	\$ 75,496	\$ 77,322						
(24) Service Location Charge - Dist	831,508	Locations	\$ 9.53	\$ 7,922,340	\$ 8,114,001	\$ 8.87	\$ 7,552,930				
(25) Service Location Charge - CTC	831,508	Locations	\$ 0.32	\$ 267,184	\$ 273,647			\$ 0.32	\$ 268,792		
(26)				\$ 8,265,019	\$ 8,464,971						
(27) Transmission Charge											
(28) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -						
(29) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(30)				\$ -	\$ -						
(31) Variable Distribution Charge											
(32) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -						
(33) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(34)				\$ -	\$ -						
(35) Competitive Transition Charge											
(36) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -						
(37) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(38)				\$ -	\$ -						
(39) Electric Generation Charge											
(40) Capacity Charge	136,607,992	Watt	\$ 0.0029	\$ 395,447	\$ 405,014			\$ 0.0029	\$ 406,545	\$ 0.0030	\$ 413,465
(41) Energy Charge	47,017,000	kWh	\$ 0.0183	\$ 858,533	\$ 879,303			\$ 0.0183	\$ 882,627	\$ 0.0186	\$ 897,650
(42)				\$ 1,253,981	\$ 1,284,318				\$ 1,289,173		\$ 1,311,114
(43)											
(44) Total Revenue				\$ 9,519,000	\$ 9,749,289						

(a) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(b) Electric Generation Revenue w/ Factor 1.01702 = Revenue Factor * Column (9)

Exhibit 2

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

R-00016856
ORIGINAL

For List of Communities Served, See Page 4.

Issued: October 29, 2001

Effective: January 1, 2002

ISSUED BY: K. G. LAWRENCE - President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

DOCKETED

OCT 30 2001

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES

State Tax Adjustment Clause – Fourth Revised Page No. 29

Effective for billing cycles beginning January 1, 2002 the State Tax Adjustment Clause will be 1.66%.
Text changed to correct error in compliance with Order entered at Docket No. R-00994928.

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STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, a surcharge value of 1.66% will apply to all PaPUC jurisdictional charges, exclusive of Energy and Capacity Charges, in the Base Rates and riders effective for scheduled billing cycles beginning after January 1, 2002. (I)

Whenever any of the tax rates used in the calculation of the surcharge are changed, or recoveries are authorized under Sections 2806, 2809 or 2810 of the Competition Act, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the change occurs and the effective date shall be ten days after filing.

In addition, if a recalculation is submitted as a result of a tax rate change (including the Revenue Neutral Reconciliation rate) the Company will thereafter file each year by December 21 annual updates or revisions with the Commission which will reflect only this tax change. These annual updates will be effective ten days after filing and will continue until such time as the effect of the change in tax rates has been included in base rates. (C)

(I) Indicates Increase
(C) Indicates Change



OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

ORIGINAL

Bernard A. Ryan, Jr
Small Business Advocate

November 28, 2001

(717) 783-2525
(717) 783-2831 (FAX)

HAND DELIVERED

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

DOCUMENT
FOLDER

SECRETARY'S BUREAU

NOV 29 PM 2:12

Re: PECO Energy Company Rate Change to
State Tax Adjustment Surcharge to Implement
2002 Revenue Neutral Reconciliation
Docket No. R-00016856

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the:

1. Notice of Intervention of the Small Business Advocate in the above captioned matter; and
2. Public Statement of the Small Business Advocate relating to the filing of that Notice of Intervention.

Copies of each of the documents listed above are being served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

Sincerely,

Carol F. Pennington
Carol F. Pennington
Acting Small Business Advocate

Enclosures

cc: Hon. Robert A. Christianson
Chief Administrative Law Judge

Parties of Record

Brian Kalcic

65

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

ORIGINAL

Bernard A. Ryan, Jr
Small Business Advocate

November 28, 2001

(717) 783-2525
(717) 783-2831 (FAX)

SECRETARIAT OF THE BUREAU

ALL PARTIES OF RECORD AT DOCKET NO. R-00016856:

Re: PECO Energy Company Rate Change to
State Tax Adjustment Surcharge to Implement
2002 Revenue Neutral Reconciliation
Docket No. R-00016856

The Office of Small Business Advocate has retained the services of Brian Kalcic as its expert witness in this case. In order to provide our consultant all materials, including discovery, testimony, briefs, etc., in a timely fashion, we request that you add the name of Mr. Kalcic to your service lists so that he receives copies of documents when they are served in this case. Those items should be addressed to:

DOCUMENT
FOLDER

Mr. Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(314) 725-2511
(314) 725-2022 - Fax

If you have any questions or concerns, please do not hesitate to contact me. Thank you in advance for your cooperation.

DOCKETED
NOV 29 2001

Sincerely,

Carol F. Pennington
Acting Small Business Advocate

cc: Brian Kalcic

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

PECO ENERGY COMPANY RATE CHANGE :
TO STATE TAX ADJUSTMENT SURCHARGE TO : Docket No. R-00016856
IMPLEMENT 2002 REVENUE NEUTRAL :
RECONCILIATION :

RECEIVED
BUREAU
NOV 29 2001


Office of
Small Business Advocate
Notice of Intervention

The Office of Small Business Advocate, an agency of the Commonwealth 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, files this Notice of Intervention in this proceeding pursuant to the provisions of 52 Pa. Code §5.71(a)(1).

Representing the Office of Small Business Advocate in this proceeding is:

Carol F. Pennington
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831

DOCUMENT
FOLDER


Carol F. Pennington
Acting Small Business Advocate

Dated: November 28, 2001

DOCKETED
NOV 29 2001

PUBLIC STATEMENT OF
SMALL BUSINESS ADVOCATE
CONCERNING THE INTEREST
OF SMALL BUSINESS CONSUMERS
TO BE PROTECTED BY THE FILING OF A
NOTICE OF INTERVENTION
IN THE PROCEEDINGS INVOLVING
PECO ENERGY COMPANY
AT DOCKET NO. R-00016856

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§399.41 - 399.50 (the "Act"). The Act further provides that the Small Business Advocate is to issue publicly a written statement setting forth the specific interest of small business consumers to be protected by the intervention in any proceeding involving those interests before the Public Utility Commission ("PUC" or "Commission"). This public statement relates to the filing today by the Small Business Advocate of a notice of intervention in the proceedings involving PECO Energy Company's Rate Change to State Tax Adjustment Surcharge to Implement 2002 Revenue Neutral Reconciliation at Docket No. R-00016856.

On October 29, 2001, PECO Energy Company filed a Notice and Petition for Recovery of the Revenue Neutral Reconciliation (RNR) Tax Effects for 2002. The Office of Small Business Advocate ("OSBA") has intervened in this proceeding to assure that the interests of the small business customers served by PECO are adequately represented and protected.

The OSBA will participate in this proceeding to the extent necessary to identify and advance any issues that are important to small business consumers who will be affected by this proceeding.

Date: November 28, 2001

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO ENERGY COMPANY RATE CHANGE :
TO STATE TAX ADJUSTMENT SURCHARGE TO : Docket No. R-00016856
IMPLEMENT 2002 REVENUE NEUTRAL :
RECONCILIATION :

CERTIFICATE OF SERVICE

I certify that I am serving a copy of the Notice of Intervention on behalf of the Office of Small Business Advocate by first class mail upon the persons addressed below:

Hon. Robert A. Christianson
Chief Administrative Law Judge
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
(hand delivered)


Tanya J. McCloskey, Esquire
Office of Consumer Advocate
555 Walnut Street
5th FL Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
(717) 783-7152

Kent D. Murphy, Esquire
Assistant General Counsel
Exelon Business Services Company
2301 Market Street, S23-1
Philadelphia, PA 19103
(215) 841-4941
(215) 568-3389 (fax)

Kenneth L. Mickens, Esquire
Office of Trial Staff
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105
(717) 787-1976
(717) 772-2677 (fax)

David Epple, Esquire
Energy Association of Pennsylvania
800 North Third Sstreet
Harrisburg, PA 17102

David M. Kleppinger, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(717) 232-8000
(717) 236-2665 (fax)


Carol F. Pennington
Acting Small Business Advocate

Date: November 28, 2001

SECRETARY'S BUREAU

NOV 29 PM 3:12



McNees Wallace & Nurick LLC
attorneys at law

ORIGINAL

KAREN S. MILLER ORNER
DIRECT DIAL: (717) 237-5359
E-MAIL ADDRESS: KORNER@MWN.COM

November 28, 2001

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

VIA HAND DELIVERY

**Re: PECO Energy Company Rate Change to State Tax Adjustment
Surcharge to Implement 2002 Revenue Neutral Reconciliation;
Docket No. R-00016856**

Dear Secretary McNulty:

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

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

RECORDED
01 NOV 28 PM 2:28
SECRETARY'S BUREAU

Very truly yours,

MCNEES WALLACE & NURICK LLC

By *Karen S. Miller Orner*
Karen S. Miller Orner

Counsel to the Philadelphia Area Industrial
Energy Users Group

KSMO

Enclosures

c: Chief Administrative Law Judge Robert Christianson (via hand delivery)
Judy Weaver, Scheduling Officer (via hand delivery)
Certificate of Service

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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):

VIA HAND DELIVERY

Kenneth L. Mickens, Esq.
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120

Tanya J. McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Office of Small Business Advocate
300 North 2nd Street, Suite 1102
Harrisburg, PA 17101

VIA FACSIMILE AND FIRST-CLASS MAIL

Kent D. Murphy, Esq.
Assistant General Counsel
Ward L. Smith, Esq.
Associate General Counsel
Exelon Business Services Company
2301 Market Street, S23-1
Philadelphia, PA 19103

David Epple, Esq.
Energy Association of Pennsylvania
800 North Third Street
Harrisburg, PA 17102

Karen S. Miller Orner
Karen S. Miller Orner

Dated this 28th day of November, 2001, in Harrisburg, Pennsylvania.

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PECO Energy Company Rate Change :
to State Tax Adjustment Surcharge to Implement : Docket No. R-00016856
2002 Revenue Neutral Reconciliation :

**PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP
PETITION TO INTERVENE**

TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to Sections 5.71 through 5.74 of the Regulations of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), the Philadelphia Area Industrial Energy Users Group ("PAIEUG" or "Petitioner") hereby files this Petition To Intervene in the above-captioned proceeding. In support thereof, Petitioner avers as follows:

1. Petitioner is PAIEUG, which for purposes of this proceeding includes the companies listed on Attachment "A" to this Petition. The list and Attachment "A" will be updated, as necessary, if the composition of PAIEUG changes during the course of this proceeding.

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

David M. Kleppinger
Charis M. Burak
Karen S. Miller Orner
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
dkleppin@mwn.com
cburak@mwn.com
korner@mwn.com

SECRETARY'S BUREAU

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3. PAIEUG is an ad hoc coalition of large, energy-intensive industrial and institutional consumers of electricity located within the service territory of PECO Energy Company ("PECO" or "Company"). PAIEUG members purchase service from PECO primarily under Rate Schedules GS and HT and available riders. PAIEUG has been actively involved in PECO's restructuring process as an intervenor in the Company's restructuring proceeding, as a signatory to the Company's restructuring settlement agreement and as a participant in PECO's Qualified Rate Order proceeding. By virtue of their payment of PECO's transmission, distribution, and generation rates, as well as PECO's State Tax Adjustment Surcharge, PAIEUG members are directly affected by the Commission's resolution of the above-captioned proceeding.

WHEREFORE, the Philadelphia Area Industrial Energy Users Group respectfully requests that the Commission grant this Petition To Intervene and provide the Philadelphia Area Industrial Energy Users Group with full-party status in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By Karen S. Miller Orner

David M. Kleppinger
Charis M. Burak
Karen S. Miller Orner
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300

Counsel to the Philadelphia Area Industrial Energy
Users Group

Dated: November 28, 2001

1977
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SECRETARY'S BUREAU

Attachment "A"

Philadelphia Area Industrial Energy Users Group

Air Liquide
Bethlehem Steel
Boeing
Buckeye Pipeline
The Budd Co.
City of Philadelphia
Ford Motor Co.
Franklin Mills Mall
Kimberly-Clark
Merck & Co., Inc.
Nabisco, Inc.
Occidental Chemical Corp.
Rohm and Haas Co.
Glaxo/SmithKline
Sunoco, Inc. (R&M)
Temple University
Thomas Jefferson Univ.
Jefferson Health System
USX Corp. (US Steel)

DATE: November 30, 2001

SUBJECT: R-00016850; R-00016852; R-00016853; R-00016854; R-00016856

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary

LAF

R-00016850: PPL Electric Utilities Corporation's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016852: Metropolitan Edison Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016853: Pennsylvania Electric Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016854: Duquesne Light Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016856: PECO Energy Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

Attached are copies of Petitions to Intervene filed in connection with the above docketed proceedings by the following: PP&L Industrial Customer Alliance; Met-Ed Industrial Users Group; Penelec Industrial Customer Alliance; Duquesne Industrial Intervenors; Philadelphia Area Industrial Energy Users Group

This matter is assigned to your Bureau for appropriate action.

Attachments

cc: OTS

laf

DOCUMENT
FOLDER
-CLERK

DOCKETED
DEC 04 2001

Brian D. Crowe
Director
Regulatory &
Governmental Affairs

Telephone 215.841.5316
Fax 215.841.6447
www.exeloncorp.com
brian.crowe@exeloncorp.com

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

ORIGINAL

December 4, 2001

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

DOCUMENT
FOLDER

Re: PECO Energy's Petition to Recover 2002 Revenue Neutral Reconciliation (RNR) Tax Effect -Revised Exhibit 1 -Docket No. R-00016856

Dear Secretary McNulty,

As a result of the December 3, 2001 Pennsylvania Department of Revenue's revised announcement concerning the RNR rate for 2002, the Company is providing revised portions of Exhibit 1, which accompanied the petition for recovery filed October 29, 2001. The revised Attachments reflect the effect of the RNR rate changing from 16 mills to 15 mills for 2002, which has reduced the Company's claim from approximately \$53 million to approximately \$50 million. The Company intends to file any necessary tariff pages in a compliance filing after the Commission acts on the Company's petition.

The Company has enclosed eight copies of Revised Exhibit 1. Please acknowledge receipt of this filing on the enclosed copy of this letter.

Sincerely,

Brian D. Crowe

RECEIVED

DEC 04 2001

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

w/enclosures

The Honorable Glen Thomas, Chairman
The Honorable Robert K. Bloom, Vice-Chairman
The Honorable Aaron Wilson, Jr., Commissioner
The Honorable Terrance J. Fitzpatrick, Commissioner
C. F. Hoffman, Director, Office of Trial Staff
R. A. Rosenthal, Director, Bureau of Fixed Utility Services
R. Wilson, Bureau of Fixed Utility Services
C. Walker-Davis, Director, Office of Special Assistants
Office of Consumer Advocate
Office of Small Business Advocate
David Kleppinger, McNees, Wallace & Nurick
Service List

67

REVISED EXHIBIT 1

ATTACHMENT A

PAGES 1, 2 & 2A

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy - Electric Operations
Effect of Revenue Neutral Reconciliation (RNR)
For the Year 2002

		<u>Reference</u>
<u>RNR Effects</u>		
1 . Year 2002 - Projected	\$26,457,101	Att. A, Pg. 2, Ln.10
2 . Year 2001 - 9 Months Actual and 3 Months Projected	(\$3,027,972)	Att. A, Pg. 3, Ln.3
3 . Year 2000 - Actual	<u>\$15,558,328</u>	Att. A, Pg. 4, Ln.3
4 . Total RNR for Future Recovery	\$38,987,457	
<u>Non - RNR Effects</u>		
5 . Capital Stock Tax - 2002 (a)	(\$5,295,940)	Att. B, Pg. 1, Ln.7
6 . Capital Stock Tax - 2001 (a)	(\$4,088,848)	Att. B, Pg. 2, Ln. 7
7 . Capital Stock Tax - 2000 (a)	(\$2,922,826)	Att. B, Pg. 2, Ln. 9
8 . PURTA Assessment - 2000 (a)	\$286,292	Att. B, Pg. 3, Ln. 5
9 . PURTA Assessment - Supplemental for 1998 and 1999 (a)	(\$1,394,467)	Att. B, Pg. 4, Ln. 3
10 . Reconciled Amount due from Customers - 1999 (a)	<u>\$191,391</u>	Dec. 3, 1999 STAS Filing, Att. A, Pg. 1, Ln. 4
11 . Non - RNR Amount Due from / (to) Customers	(\$13,224,398)	
12 . RNR Effects Net of Non-RNR Effects	\$25,763,059	Ln. 4 + Ln.11
13 . Recoverable Amount Including Gross Receipts Tax	\$27,378,384	Ln. 12 / (1-0.059)
14 . Adjusted Gross Transmission, Distribution and Transition Charges Operating Revenues	\$1,763,806,720	Att. A , Pg. 2, Ln. 9
15 . State Tax Adjustment Charge	1.55%	Ln. 13 / Ln. 14

(a) Reconciled Amount

PECO Energy - Electric Operations
Computation of 16 Mill Increase in Gross Receipts Tax
12 Months Ended December 31, 2002

		<u>Reference</u>
1 . <u>Booked Revenue from Sales Excl Intangible Transition Charges</u>	\$3,580,360,696	2000 FERC # 1, Pg. 300, Ln. 12
2 . Less : Non - jurisdictional revenue		
Sales for Resale	\$1,502,987,410	2000 FERC # 1, Pg. 300, Ln. 11
Interdepartmental Revenues	\$6,374,848	2000 FERC # 1, Pg. 300, Ln. 9
Unbilled Revenues	-\$7,385,000	2000 FERC # 1, Pg. 301
3 . Less : LILR Revenue not subject to STAS	\$9,601,130	Company Records
4 . Less: Competitive Transition Charges	<u>\$106,541,707</u>	Company Records
5 . <u>Operating Revenues Subject to STAS Excl Total Transition Charges Before Adjustments</u>	\$1,962,240,601	
6 . Add: Estimated Total Transition Charges for Year 2002	\$834,405,164	Company Filing on October 12, 2001 at Docket No. M-FACE0110
7 . Less :		
Year 2002 Reduction in Distribution Revenues	\$60,000,000	Order Entered June 22, 2000 at Docket No. A-110550F0147
8 . Less:		
Energy and Capacity Related Charges Included in Lines 1 through 3	<u>\$972,839,045</u>	Company estimate
9 . Adjusted base	\$1,763,806,720	
10 . 15 Mill Increase in Gross Receipts Tax from 44 mills to 59 mills from RNR	\$26,457,101	Ln. 9 * 0.015

NOTICES

DEPARTMENT OF REVENUE

Revised Revenue-Neutral Reconciliation Rate Notice

[31 Pa.B. 6586]

Section 2810(a) of 66 Pa.C.S. provides "It is the intention of the General Assembly that the restructuring of the electric industry be accomplished in a manner that allows Pennsylvania to enjoy the benefits of competition, promotes the competitiveness of Pennsylvania's electric utilities and maintains revenue neutrality to the Commonwealth. This section is not intended to cause a shift in proportional tax obligations among customer classes or individual electric distribution companies. It is the intention of the General Assembly to establish this revenue replacement at a level necessary to recoup losses that may result from the restructuring of the electric industry and the transition thereto."

Section 2810(c) of 66 Pa.C.S. requires the Secretary of Revenue to publish the rate of the revenue-neutral reconciliation (RNR) tax in the form of a notice in the *Pennsylvania Bulletin* by December 1, 1998, and each October 1 thereafter until and including October 1, 2002. The tax rate established in 66 Pa.C.S. § 2810(c) shall be imposed upon gross receipts as provided in 66 Pa.C.S. § 2810(b) for the period beginning the next January 1. In the event the RNR tax rate is negative, a credit is provided under 66 Pa.C.S. § 2810(c) (5). This credit is available only to a taxpayer upon which tax is imposed under 66 Pa.C.S. § 2810(b).

This notice is a revision of the original RNR tax rate calculation for tax year 2002 of +0.016 that was published at 31 Pa.B. 5507 (September 29, 2001). The revision was necessary for two reasons. First, the Pennsylvania Public Utility Commission submitted revised electric industry gross receipts data for calendar year 2000 to the Department of Revenue (Department) on November 8, 2001. Second, electric industry officials submitted additional information to the Department for consideration in calculating the RNR after the original publication of the RNR rate. Based on the industry information, the Department identified additional tax payments that should be included in the RNR calculation.

Based on the Department's revised calculation, the result of the RNR calculation provided in 66 Pa.C.S. § 2810 is +0.015 for tax periods beginning on or after January 1, 2002. Therefore, the combined utility gross receipts tax rate for electric distribution companies and electric generation suppliers is effectively 0.059 for tax periods beginning on or after January 1, 2002, rather than 0.044.

The utility gross receipts tax rate, however, remains 0.050 for all gross receipts taxable under section 1101(a) of the TRC (72 P. S. § 8101(a)).

LARRY P. WILLIAMS,
Secretary

[Pa.B. Doc. No. 01-2144. Filed for public inspection November 30, 2001, 9:00 a.m.]

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REVISED EXHIBIT 1
ATTACHMENT B

2002 Unbundled Transmission & Distribution (T & D) Revenue

	Electric Restructuring				Merger Settlement	Merger Distribution (3e)	Merger T & D 1/1/02 (5) = (2) + (3a)	Merger STAS @ 1.55% (6) = (5) * 0.155	T & D @ 1/1/02 w/ STAS (7) = (5) + (6)	Amount Above or (Below) Statutory Rate Cap (8) = (7) - (4)	Amount Above or (Below) T & D Merger Rates (9) = (7) - (5)	% Above/(Below) (10) = (9) / (5)
	Sales (MWh)	Transmission (2)	Distribution (3)	Statutory T & D Rate Cap 12/31/96 (4) = (2) + (3)	\$ (60,000,000) Allocation							
HT	14,542,215	51,190,027	111,301,827	162,491,854	(7,696,354)	103,605,473	154,795,500	2,399,330	157,194,830	(5,297,024)	2,399,330	1.55%
EP	654,254	2,373,227	7,478,499	9,851,726	(517,127)	6,961,372	9,334,599	144,686	9,479,286	(372,441)	144,686	1.55%
PD	1,107,824	5,183,690	20,019,844	25,203,534	(1,384,342)	18,635,502	23,819,192	369,197	24,188,390	(1,015,145)	369,197	1.55%
GS	6,756,312	39,838,587	144,898,335	184,736,923	(10,019,502)	134,878,833	174,717,420	2,708,120	177,425,540	(7,311,382)	2,708,120	1.55%
GS	6,715,671	39,602,848	144,040,917	183,643,765	(9,960,213)	134,080,704	173,683,552	2,692,095	176,375,647	(7,268,118)	2,692,095	1.55%
TL	40,641	235,740	857,418	1,093,158	(59,289)	798,129	1,033,869	16,025	1,049,894	(43,264)	16,025	1.55%
RH	2,884,604	11,521,404	100,803,925	112,325,329	(6,970,440)	93,833,485	105,354,889	1,633,001	106,987,890	(5,337,439)	1,633,001	1.55%
R	7,885,699	44,098,864	441,168,627	485,267,492	(30,506,148)	410,662,479	454,761,344	7,048,801	461,810,144	(23,457,347)	7,048,801	1.55%
R	7,885,618	44,098,462	441,164,606	485,263,068	(30,505,870)	410,658,736	454,757,198	7,048,737	461,805,935	(23,457,133)	7,048,737	1.55%
RT	81	402	4,022	4,424	(278)	3,744	4,146	64	4,210	(214)	64	1.55%
OP	384,915	182,874	19,585,166	19,768,040	(1,354,285)	18,230,881	18,413,755	285,413	18,699,168	(1,068,872)	285,413	1.55%
SLP	90,951	157,270	10,880,721	11,037,991	(752,386)	10,128,336	10,285,606	159,427	10,445,032	(592,959)	159,427	1.55%
SLS	17,317	82,942	3,930,701	4,013,643	(271,802)	3,658,899	3,741,840	57,999	3,799,839	(213,804)	57,999	1.55%
SLE	48,154	77,308	5,960,250	6,037,558	(412,142)	5,548,108	5,625,416	87,194	5,712,609	(324,948)	87,194	1.55%
OTHER	9,237	10,472	1,669,910	1,680,382	(115,472)	1,554,438	1,564,911	24,256	1,589,167	(91,216)	24,256	1.55%
POL	9,205	10,450	1,666,327	1,676,777	(115,224)	1,551,103	1,561,553	24,204	1,585,757	(91,020)	24,204	1.55%
AL	32	22	3,583	3,606	(248)	3,336	3,358	52	3,410	(196)	52	1.55%
TOTAL	34,381,484	154,716,666	867,697,806	1,022,414,472	(60,000,000)	807,697,806	962,414,472	14,917,424	977,331,896	(45,082,576)	14,917,424	
¢/kWh		0.45	2.52	2.97	-0.17	2.35	2.80	0.04	2.84	(0.13)	0.04	1.55%

2002 Unbundled Transmission & Distribution (T & D) Unit Rates (¢/kWh)

	Sales (MWh)	Electric Restructuring			Merger Settlement		Merger Distribution (3a)	Merger T & D 1/1/02 (5) = (2) + (3a)	T & D @ 1.55% STAS @ 1.55% (6) = (5) * .0155	T & D @ 1/1/02 w/ STAS (7) = (5) + (6)	Amount Above or (Below) Statutory Rate Cap (8) = (7) - (4)	Amount Above or (Below)	
		Transmission (2)	Distribution (3)	Statutory T & D Rate Cap 12/31/96 (4) = (2) + (3)	\$ (60,000,000) Allocation	T & D Merger Rates (9) = (7) - (5)						% Above/(Below) (10) = (9) / (5)	
HT	14,542,215	0.35	0.77	1.12	(0.05)	0.71	1.06	0.02	1.08	(0.04)	0.02	1.55%	
EP	654,254	0.36	1.14	1.51	(0.08)	1.06	1.43	0.02	1.45	(0.06)	0.02	1.55%	
PD	1,107,824	0.47	1.81	2.28	(0.12)	1.68	2.15	0.03	2.18	(0.09)	0.03	1.55%	
GS	6,756,312	0.59	2.14	2.73	(0.15)	2.00	2.59	0.04	2.63	(0.11)	0.04	1.55%	
GS	6,715,671	0.59	2.14	2.73	(0.15)	2.00	2.59	0.04	2.63	(0.11)	0.04	1.55%	
TL	40,641	0.58	2.11	2.69	(0.15)	1.96	2.54	0.04	2.58	(0.11)	0.04	1.55%	
RH	2,884,604	0.40	3.49	3.89	(0.24)	3.25	3.65	0.06	3.71	(0.19)	0.06	1.55%	
R	7,885,699	0.56	5.59	6.15	(0.39)	5.21	5.77	0.09	5.86	(0.30)	0.09	1.55%	
R	7,885,618	0.56	5.59	6.15	(0.39)	5.21	5.77	0.09	5.86	(0.30)	0.09	1.55%	
RT	81	0.50	4.97	5.47	(0.34)	4.63	5.12	0.08	5.20	(0.26)	0.08	1.55%	
OP	384,915	0.05	5.09	5.14	(0.35)	4.74	4.78	0.07	4.86	(0.28)	0.07	1.55%	
SLP	90,951	0.17	11.96	12.14	(0.83)	11.14	11.31	0.18	11.48	(0.65)	0.18	1.55%	
SLS	17,317	0.48	22.70	23.18	(1.57)	21.13	21.61	0.33	21.94	(1.23)	0.33	1.55%	
SLE	48,154	0.16	12.38	12.54	(0.86)	11.52	11.68	0.18	11.86	(0.67)	0.18	1.55%	
OTHER	9,237	0.11	18.08	18.19	(1.25)	16.83	16.94	0.26	17.20	(0.99)	0.26	1.55%	
POL	9,205	0.11	18.10	18.22	(1.25)	16.85	16.96	0.26	17.23	(0.99)	0.26	1.55%	
AL	32	0.07	11.29	11.36	(0.78)	10.51	10.58	0.16	10.74	(0.62)	0.16	1.55%	
TOTAL		0.45	2.52	2.97	(0.17)	2.35	2.80	0.04	2.84	(0.13)	0.04	1.55%	

REVISED EXHIBIT 1

ATTACHMENT C

2002 Unbundled CTC ^(a) and Energy/Capacity Revenue

	Sales (MWh)	Energy/Capacity			Electric Restructuring			Amount Above or (Below) Rate Cap (8) = (7) - (4)	% Above/(Below) Rate Cap (9) = (8) / (4)
		CTC (2)	(E/C) (3)	Statutory Rate Cap 12/31/1996 (4) = (2) + (3)	Energy/Capacity @ 1.01594 ^(b) (5) = (3) * 1.01594	CTC STAS @ 1.55% (6) = (2) * .0155	Total CTC & E/C 1/1/02 (7) = (2) + (5) + (6)		
HT	14,542,215	\$289,163,150	557,111,133	846,274,282	565,991,756	4,482,029	859,636,935	13,362,653	1.58%
EP	654,254	\$13,121,883	25,390,811	38,512,693	25,795,552	203,389	39,120,824	608,131	1.58%
PD	1,107,824	\$28,707,177	52,604,287	81,311,464	53,442,825	444,961	82,594,963	1,283,499	1.58%
GS	6,756,312	\$221,064,038	378,780,698	599,844,736	384,818,647	3,426,493	609,309,178	9,464,442	1.58%
GS	6,715,671	\$219,755,922	376,539,307	596,295,229	382,541,528	3,406,217	605,703,667	9,408,437	1.58%
TL	40,641	\$1,308,116	2,241,391	3,549,507	2,277,120	20,276	3,605,512	56,005	1.58%
RH	2,884,604	\$58,640,229	124,909,324	183,549,552	126,900,439	908,924	186,449,591	2,900,039	1.58%
R	7,885,699	\$222,065,111	416,190,209	638,255,320	422,824,485	3,442,009	648,331,605	10,076,285	1.58%
R	7,885,618	\$222,063,087	416,186,415	638,249,502	422,820,630	3,441,978	648,325,695	10,076,193	1.58%
RT	81	\$2,024	3,794	5,818	3,854	31	5,910	92	1.58%
OP	384,915	\$368,640	6,505,640	6,874,280	6,609,343	5,714	6,983,697	109,417	1.59%
SLP	90,951	\$620,434	2,398,617	3,019,051	2,436,852	9,617	3,066,903	47,852	1.58%
SLS	17,317	\$375,400	864,041	1,239,441	877,814	5,819	1,259,033	19,592	1.58%
SLE	48,154	\$268,742	1,684,280	1,953,023	1,711,128	4,166	1,984,036	31,014	1.59%
OTHER	9,237	\$10,360	218,352	228,712	221,833	161	232,354	3,641	1.59%
POL	9,205	\$10,334	217,888	228,222	221,361	160	231,855	3,633	1.59%
AL	32	\$26	465	491	472	0	499	8	1.59%
TOTAL	34,381,484	\$834,405,164	1,566,657,391	2,401,062,556	1,591,630,676	12,933,280	2,438,969,121	37,906,565	1.58%
¢/kWh		2.43	4.56	6.98	4.63	0.04	7.09	0.11	1.58%
TOTAL	34,381,484	\$834,405,164	1,566,657,391	2,401,062,556	1,591,630,676	12,933,280	2,438,969,121	37,906,565	
Less:									
E/C for Shopping Customers			191,745,829						
TOTAL Reflecting PLR		\$834,405,164	1,374,911,562	2,209,316,727	1,396,828,325	12,933,280	2,244,166,769	34,850,042	

(a) Includes ITC

(b) $(1-.044) / (1-.059) = 1.01594$

2002 Unbundled CTC ^(a) and Energy/Capacity Unit Rates (¢/kWh)

	Sales (MWh)	Electric Restructuring								
		CTC (2)	Energy/Capacity (E/C) (3)	Statutory Rate Cap 12/31/1996 (4) = (2) + (3)	Energy/Capacity @ 1.01594 ^(b) (5) = (3) * 1.01594	CTC STAS @ 1.55% (6) = (2) * .0155	Total CTC & E/C 1/1/02 (7) = (2) + (5) + (6)	Amount Above or (Below) Rate Cap (8) = (7) - (4)	% Above/(Below) Rate Cap (9) = (8) / (4)	
HT	14,542,215	1.99	3.83	5.82	3.89	0.03	5.91	0.09	1.58%	
EP	654,254	2.01	3.88	5.89	3.94	0.03	5.98	0.09	1.58%	
PD	1,107,824	2.59	4.75	7.34	4.82	0.04	7.46	0.12	1.58%	
GS	6,756,312	3.27	5.61	8.88	5.70	0.05	9.02	0.14	1.58%	
GS	6,715,671	3.27	5.61	8.88	5.70	0.05	9.02	0.14	1.58%	
TL	40,641	3.22	5.52	8.73	5.60	0.05	8.87	0.14	1.58%	
RH	2,884,604	2.03	4.33	6.36	4.40	0.03	6.46	0.10	1.58%	
R	7,885,699	2.82	5.28	8.09	5.36	0.04	8.22	0.13	1.58%	
R	7,885,618	2.82	5.28	8.09	5.36	0.04	8.22	0.13	1.58%	
RT	81	2.50	4.69	7.19	4.76	0.04	7.30	0.11	1.58%	
OP	384,915	0.10	1.69	1.79	1.72	0.00	1.81	0.03	1.59%	
SLP	90,951	0.68	2.64	3.32	2.68	0.01	3.37	0.05	1.58%	
SLS	17,317	2.17	4.99	7.16	5.07	0.03	7.27	0.11	1.58%	
SLE	48,154	0.56	3.50	4.06	3.55	0.01	4.12	0.06	1.59%	
OTHER	9,237	0.11	2.36	2.48	2.40	0.00	2.52	0.04	1.59%	
POL	9,205	0.11	2.37	2.48	2.40	0.00	2.52	0.04	1.59%	
AL	32	0.08	1.46	1.55	1.49	0.00	1.57	0.02	1.59%	
TOTAL		2.43	4.56	6.98	4.63	0.04	7.09	0.11	1.58%	
Less:										
E/C for Shopping Customers			0.56							
TOTAL Reflecting PLR		2.43	4.00	6.98	4.63	0.04	7.09	0.11		

(a) Includes ITC

(b) $(1-.044) / (1-.06) = 1.01702$

REVISED EXHIBIT 1
ATTACHMENT D

Year 2002
Rate R

Electric PA PUC No. 3

	Billing Determinants		Pricing	Revenue	Growth Ratio	New Pricing for Distribution	New Distribution Revenue @ 0.91745	Per Reconciliation		Pricing (c)	Revenue (d) @ 1.01594 (11)
	(4)	(5)=(6)/(4)	(6)	(7)=(6)x1.024	Pricing (a)			Revenue (b)			
								(8)	(9)	(10)	
(25) Fixed Distribution Charge	13,709,923	Bills	\$ 5.10	\$ 69,920,607	\$ 71,612,162						
(26)											
(27) Transmission Service Charge											
(28) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0055	\$ 29,542,074	\$ 30,256,771						
(29) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0055	\$ 5,916,395	\$ 6,059,528						
(30) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0063	\$ 7,598,340	\$ 7,782,163						
(31)				\$ 43,056,810	\$ 44,098,462						
(32) Variable Distribution Charge											
(33) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0457	\$ 247,567,493	\$ 253,556,772	\$ 0.0419	\$ 232,626,130				
(34) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0457	\$ 49,580,377	\$ 50,779,851	\$ 0.0419	\$ 46,588,068				
(35) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0531	\$ 63,675,354	\$ 65,215,821	\$ 0.0487	\$ 59,832,375				
(36)				\$ 360,823,223	\$ 369,552,444		\$ 339,046,574				
(37) Competitive Transition Charge											
(38) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0293	\$ 158,763,992	\$ 162,604,892			\$ 0.0275	\$ 152,533,341		
(39) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0293	\$ 31,795,687	\$ 32,564,904			\$ 0.0275	\$ 30,547,873		
(40) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0339	\$ 40,574,196	\$ 41,555,788			\$ 0.0318	\$ 38,981,873		
(41)				\$ 231,133,875	\$ 236,725,584				\$ 222,063,087		
(42) Electric Generation											
(43) Up to 500 kwh	5,415,895,024	kWh	\$ 0.0500	\$ 270,900,742	\$ 277,454,511			\$ 0.0518	\$ 287,526,062	\$ 0.0527	\$ 292,109,368
(44) kwh over 500-Winter	1,084,642,063	kWh	\$ 0.0500	\$ 54,253,330	\$ 55,565,854			\$ 0.0518	\$ 57,582,885	\$ 0.0527	\$ 58,500,785
(45) kwh over 500-Summer	1,198,814,912	kWh	\$ 0.0558	\$ 66,895,413	\$ 68,513,781			\$ 0.0579	\$ 71,087,696	\$ 0.0588	\$ 72,220,869
(46)				\$ 392,049,484	\$ 401,534,146				\$ 416,196,644		\$ 422,831,022
(47)											
(48) Total Revenue				\$1,096,984,000	\$ 1,123,522,799						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

Year 2002
Rate RT

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.89001	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01594 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(29) Fixed Distribution Charge	143 bills	\$ 10.19	\$ 1,458	\$ 1,493						
(30)										
(31) Transmission Charge										
(32) Summer Off-peak kwh	32,901 kWh	\$ 0.0030	\$ 98	\$ 100						
(33) Summer On-peak kwh	8,067 kWh	\$ 0.0121	\$ 98	\$ 100						
(34) Winter Off-peak kwh	27,659 kWh	\$ 0.0030	\$ 82	\$ 84						
(35) Winter On-peak kwh	10,372 kWh	\$ 0.0111	\$ 115	\$ 118						
(36)			\$ 393	\$ 402						
(37) Variable Distribution Charge										
(38) Summer Off-peak kwh	32,901 kWh	\$ 0.0187	\$ 615	\$ 630	0.0166	\$ 560				
(39) Summer On-peak kwh	8,067 kWh	\$ 0.0761	\$ 614	\$ 628	0.0677	\$ 559				
(40) Winter Off-peak kwh	27,659 kWh	\$ 0.0187	\$ 517	\$ 529	0.0166	\$ 471				
(41) Winter On-peak kwh	10,372 kWh	\$ 0.0698	\$ 724	\$ 741	0.0621	\$ 660				
(42)			\$ 2,469	\$ 2,528		\$ 2,250				
(43) Competitive Transition Charge										
(44) Summer Off-peak kwh	32,901 kWh	\$ 0.0165	\$ 544	\$ 557			\$ 0.0155	\$ 523		
(45) Summer On-peak kwh	8,067 kWh	\$ 0.0627	\$ 507	\$ 519			\$ 0.0589	\$ 487		
(46) Winter Off-peak kwh	27,659 kWh	\$ 0.0165	\$ 458	\$ 469			\$ 0.0155	\$ 440		
(47) Winter On-peak kwh	10,372 kWh	\$ 0.0577	\$ 599	\$ 613			\$ 0.0542	\$ 575		
(48)			\$ 2,107	\$ 2,158				\$ 2,024		
(49) Electric Generation										
(50) Summer Off-peak kwh	32,901 kWh	\$ 0.0328	\$ 1,079	\$ 1,105			\$ 0.0338	\$ 1,140	\$ 0.0344	\$ 1,158
(51) Summer On-peak kwh	8,067 kWh	\$ 0.0896	\$ 722	\$ 740			\$ 0.0934	\$ 772	\$ 0.0950	\$ 784
(52) Winter Off-peak kwh	27,659 kWh	\$ 0.0328	\$ 907	\$ 929			\$ 0.0338	\$ 958	\$ 0.0344	\$ 974
(53) Winter On-peak kwh	10,372 kWh	\$ 0.0833	\$ 864	\$ 885			\$ 0.0868	\$ 923	\$ 0.0883	\$ 938
(54)			\$ 3,573	\$ 3,660				\$ 3,794		\$ 3,854
(55)										
(56) Total Revenue			\$ 10,000	\$ 10,242						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

Year 2002
Rate RH

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ .9236	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01594 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(29) Fixed Distribution Charge	1,824,041 bills	\$ 5.10	\$ 9,302,607	\$ 9,527,660						
(30)										
(31) Transmission Charge										
(32) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0055	\$ 2,513,424	\$ 2,574,230						
(33) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0064	\$ 2,259,924	\$ 2,314,597						
(34) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0055	\$ 3,239,862	\$ 3,318,242						
(35) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0023	\$ 3,236,047	\$ 3,314,335						
(36)			\$ 11,249,256	\$ 11,521,404						
(37) Variable Distribution Charge										
(38) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0435	\$ 19,912,151	\$ 20,393,876	\$	0.0402	\$ 18,836,469			
(39) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0506	\$ 17,903,842	\$ 18,336,981	\$	0.0467	\$ 16,936,652			
(40) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0435	\$ 25,667,227	\$ 26,288,182	\$	0.0402	\$ 24,280,648			
(41) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0181	\$ 25,637,002	\$ 26,257,226	\$	0.0167	\$ 24,252,056			
(42)			\$ 89,120,223	\$ 91,276,265			\$ 84,305,825			
(43) Competitive Transition Charge										
(44) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0293	\$ 13,408,817	\$ 13,733,210			\$ 0.0275	\$ 12,882,591		
(45) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0338	\$ 11,979,951	\$ 12,269,776			\$ 0.0318	\$ 11,509,801		
(46) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0293	\$ 17,284,277	\$ 17,702,427			\$ 0.0275	\$ 16,605,960		
(47) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0130	\$ 18,362,508	\$ 18,806,744			\$ 0.0122	\$ 17,641,877		
(48)			\$ 61,035,553	\$ 62,512,156				\$ 58,640,229		
(49) Total Electric Generation										
(50) Summer - Up to 500 kwh	457,508,824 kWh	\$ 0.0522	\$ 23,870,510	\$ 24,447,998			\$ 0.0540	\$ 25,298,616	\$	0.0549 \$ 25,701,889
(51) Summer - Over 500 kwh	353,843,726 kWh	\$ 0.0583	\$ 20,614,383	\$ 21,113,097			\$ 0.0603	\$ 21,873,072	\$	0.0613 \$ 22,221,739
(52) Winter - Up to 600 kwh	589,739,544 kWh	\$ 0.0522	\$ 30,769,644	\$ 31,514,039			\$ 0.0540	\$ 32,610,506	\$	0.0549 \$ 33,130,334
(53) Winter - Over 600 kwh	1,415,374,905 kWh	\$ 0.0303	\$ 42,923,824	\$ 43,982,259			\$ 0.0311	\$ 45,127,126	\$	0.0316 \$ 45,846,474
(54)			\$118,178,361	\$ 121,037,392				\$ 124,909,320		\$ 126,900,436
(55)										
(56) Total Revenue			\$288,886,000	\$ 295,874,878						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

**Year 2002
Rate CAP**

Electric PA PUC No. 2 - Supplement No. 15

Electric PA PUC No. 3

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

Rate R						New Distr Pricing	Per Reconciliation		Energy ^(a) @ 1.01594
Trans.	Dist.	CTC	Energy	CTC ^(a)	Energy				
(22)	Cap 1								
(23)	¢/kWh for first 500 kWh	0.27	2.21	1.42	2.41	2.03	1.33	2.50	2.54
(24)	¢/kWh for additional kWh	0.55	4.57	2.93	5.00	4.19	2.75	5.18	5.26
(25)	Cap 2								
(26)	¢/kWh for first 500 kWh	0.41	3.39	2.17	3.71	3.11	2.04	3.84	3.91
(27)	¢/kWh for additional kWh	0.55	4.57	2.93	5.00	4.19	2.75	5.18	5.26
(28)									
Rate RH						New Distr Pricing	Per Reconciliation		Energy ^(a) @ 1.01594
Trans.	Dist.	CTC	Energy	CTC ^(a)	Energy				
(29)	Cap 1								
(30)	Winter								
(31)	¢/kWh for all kWh	0.27	2.10	1.42	2.52	1.94	1.33	2.61	2.65
(32)	Summer								
(33)	¢/kWh for first 500 kWh	0.27	2.10	1.42	2.52	1.94	1.33	2.61	2.65
(34)	¢/kWh for additional kWh	0.55	4.35	2.93	5.22	4.02	2.75	5.40	5.49
(35)	Cap 2								
(36)	Winter								
(37)	¢/kWh for first 500 kWh	0.41	3.22	3.00	3.87	2.97	2.81	4.06	4.12
(38)	¢/kWh for additional kWh	0.27	2.10	1.42	2.52	1.94	1.33	2.61	2.65
(39)	Summer								
(40)	¢/kWh for first 500 kWh	0.41	3.22	2.18	3.87	2.97	2.04	4.01	4.07
(41)	¢/kWh for additional kWh	0.55	4.35	2.93	5.22	4.02	2.75	5.40	5.49
(42)									

Customer Credit (first 500kWh per month) when obtaining Competitive Energy Supply

			Modified using Energy Charge @1.01594		
Rate R	CAP I	\$0.0268	Rate R	CAP I	\$0.0273
	CAP II	\$0.0134		CAP II	\$0.0136
Rate RH	CAP I	\$0.0279 (s)	Rate RH	CAP I	\$0.0284 (s)
		\$0.0279 (w)			\$0.0284 (w)
	CAP II	\$0.0140 (s)		CAP II	\$0.0142 (s)
		\$0.0134 (w)			\$0.0137 (w)

(a) CTC = CTC Revenue / (Usage * 1.024 growth factor)

Year 2002
Rate OP

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.90351	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01594 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(12) Fixed Distribution Charge (13)	1,182,948 Bills	\$ 4.58	\$ 5,417,900	\$ 5,548,973						
(14) Transmission Charge (15)	375,823,000 kWh	\$ 0.0005	\$ 178,554	\$ 182,874						
(16) Variable Distribution Charge (17)	375,823,000 kWh	\$ 0.0365	\$ 13,704,643	\$ 14,036,193	\$ 0.0329	\$ 12,681,908				
(18) Competitive Transition Charge (19)	375,823,000 kWh	\$ 0.0010	\$ 383,699	\$ 392,981			\$ 0.0010	\$ 368,640		
(20) Electric Generation Charges (21)	375,823,000 kWh	\$ 0.0168	\$ 6,328,204	\$ 6,481,299			\$ 0.0168	\$ 6,505,640	\$ 0.0172	\$ 6,609,343
(22) Total Revenue			\$26,013,000	\$ 26,642,320						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

**Year 2002
Rate GS**

Electric PA PUC No. 3

	<u>Billing Determinants</u>		<u>Pricing</u>	<u>Revenue</u>	<u>Growth Ratio</u>	New Pricing for	New Distribution	<u>Per Reconciliation</u>		Pricing (c)	Revenue (d) @ 1.01594 (11)
								(4)	(5)=(6)/(4)		
(35) Fixed Distribution Charge											
(36) Single-Phase	1,847,446	Bills	\$ 8.67	\$ 16,017,355	\$ 16,404,855						
(37) Poly-Phase	657,007	Bills	\$ 23.45	\$ 15,406,804	\$ 15,779,533						
(38)				\$ 31,424,159	\$ 32,184,388						
(39) Transmission Charge											
(40) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0127	\$ 18,951,130	\$ 19,409,606						
(41) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0060	\$ 3,924,719	\$ 4,019,668						
(42) Additional Use-Except	3,696,417,044	kWh	\$ 0.0038	\$ 13,894,392	\$ 14,230,532						
(43) Over 400 Hrs & 2000 kWh	151,907,550	kWh	\$ 0.0016	\$ 250,363	\$ 256,420						
(44) Space Heating	556,994,349	kWh	\$ 0.0030	\$ 1,646,781	\$ 1,686,621						
(45)				\$ 38,667,386	\$ 39,602,848						
(46) Variable Distribution Charge											
(47) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0358	\$ 53,526,647	\$ 54,821,591	\$ 0.0326	\$ 49,940,028				
(48) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0168	\$ 11,085,200	\$ 11,353,379	\$ 0.0153	\$ 10,342,423				
(49) Additional Use-Except	3,696,417,044	kWh	\$ 0.0106	\$ 39,244,109	\$ 40,193,523	\$ 0.0097	\$ 36,614,509				
(50) Over 400 Hrs & 2000 kWh	151,907,550	kWh	\$ 0.0047	\$ 707,141	\$ 724,248	\$ 0.0042	\$ 659,758				
(51) Space Heating	556,994,349	kWh	\$ 0.0084	\$ 4,651,262	\$ 4,763,788	\$ 0.0076	\$ 4,339,598				
(52)				\$109,214,359	\$ 111,856,529		\$ 101,896,316				
(53) Competitive Transition Charge											
(54) First 80 Hours Use	1,493,455,009	kWh	\$ 0.0702	\$104,778,027	\$ 107,312,870	\$ 0.0689	\$ 105,408,948				
(55) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0337	\$ 22,161,964	\$ 22,698,118	\$ 0.0331	\$ 22,295,413				
(56) Additional Use-Except	3,696,417,044	kWh	\$ 0.0217	\$ 80,269,761	\$ 82,211,688	\$ 0.0213	\$ 80,753,106				
(57) Over 400 Hrs & 2000 kWh	151,907,550	kWh	\$ 0.0103	\$ 1,559,499	\$ 1,597,227	\$ 0.0101	\$ 1,568,889				
(58) Space Heating	556,994,349	kWh	\$ 0.0173	\$ 9,671,330	\$ 9,905,304	\$ 0.0171	\$ 9,729,566				
(59)				\$218,440,581	\$ 223,725,207		\$ 219,755,922				
(60) Electric Generation Charge											
(61) First 80 Hours Use	1,493,455,009	kWh	\$ 0.1027	\$153,395,135	\$ 157,106,149	\$ 0.1040	\$ 159,010,071	\$ 0.1056	\$ 161,544,769		
(62) Next 80 Hrs Use-Summer	658,266,049	kWh	\$ 0.0559	\$ 36,817,220	\$ 37,707,921	\$ 0.0565	\$ 38,110,626	\$ 0.0574	\$ 38,718,122		
(63) Additional Use-Except	3,696,417,044	kWh	\$ 0.0406	\$150,106,925	\$ 153,738,388	\$ 0.0410	\$ 155,196,970	\$ 0.0417	\$ 157,670,463		
(64) Over 400 Hrs & 2000 kWh	151,907,550	kWh	\$ 0.0259	\$ 3,939,068	\$ 4,034,364	\$ 0.0261	\$ 4,062,702	\$ 0.0265	\$ 4,127,463		
(65) Space Heating	556,994,349	kWh	\$ 0.0350	\$ 19,511,167	\$ 19,983,191	\$ 0.0352	\$ 20,158,929	\$ 0.0359	\$ 20,480,272		
(66)				\$363,769,515	\$ 372,570,013		\$ 376,539,298		\$ 382,541,518		
(67)											
(68) Total Revenue				\$761,516,000	\$ 779,938,985						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)
(b) CTC Revenue = CTC Factor * Column (7)

**Year 2002
Off-Peak Thermal Storage Provision**

Off-Peak Thermal Storage Pricing Development

	<u>On-Peak</u>	
Transmission	0.25	¢/kWh
Distribution	2.17	¢/kWh
CTC	1.34	¢/kWh
Market Energy	2.61	¢/kWh
Bundled	6.37	¢/kWh

New Distr Pricing	Per Reconciliation	Revenue ^(a) @ 1.01594
\$ 1.98		
	\$ 1.32	
	\$ 2.63	\$ 2.68

	<u>Off-Peak</u>	
	0.16	¢/kWh
	1.41	¢/kWh
	0.88	¢/kWh
	1.70	¢/kWh
	4.15	¢/kWh

New Distr Pricing	Per Reconciliation	Revenue ^(a) @ 1.01594
1.28		
	\$ 0.86	
	\$ 1.72	\$ 1.74

Night Service GS Rider

Fixed Distribution Charge	\$ 8.97	
Demand Charge	\$ 0.47	per kW

New Dist Pricing
\$ 0.43

Rate GS Minimum Charge

Variable Distribution	\$ 0.92	per kW
Transmission	\$ 0.33	per kW
CTC	\$ 1.85	per kW
Energy and Capacity	\$ 3.07	per kW
	\$ 6.17	

New Distr Pricing	Per Reconciliation	Revenue ^(a) @ 1.01594
\$ 0.84		
	\$ 1.82	
	\$ 3.10	\$ 3.15

(a) Revenue @ 1.01594 = Energy and Capacity Revenue * 1.01594

Year 2002
Rate PD

Electric PA PUC No. 3

	Billing Determinants		Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.91622	Per Reconciliation		Pricing (c) (10)	Revenue (d) @ 1.01594 (11)
	(4)							Pricing (a) (8)	Revenue (b) (9)		
(33) Fixed Distribution Charge	12,259	Bills	\$ 275.28	\$ 3,374,777	\$ 3,456,421						
(34)											
(35) Transmission Charge											
(36) Capacity Charge	2,814,280	kW	\$ 0.56	\$ 1,582,117	\$ 1,620,393						
(37) First 150 hrs use	435,697,564	kWh	\$ 0.0050	\$ 2,163,707	\$ 2,216,053						
(38) Next 150 hrs use	355,277,140	kWh	\$ 0.0029	\$ 1,043,154	\$ 1,068,391						
(39) Additional use	290,681,296	kWh	\$ 0.0009	\$ 272,267	\$ 278,854						
(40)				\$ 5,061,246	\$ 5,183,690						
(41) Variable Distribution Charge											
(42) Capacity Charge	2,814,280	kW	\$ 1.79	\$ 5,038,839	\$ 5,160,741	\$ 1.64	\$ 4,728,387				
(43) First 150 hrs use	435,697,564	kWh	\$ 0.0158	\$ 6,891,128	\$ 7,057,842	\$ 0.0145	\$ 6,466,553				
(44) Next 150 hrs use	355,277,140	kWh	\$ 0.0094	\$ 3,322,311	\$ 3,402,686	\$ 0.0086	\$ 3,117,617				
(45) Additional use	290,681,296	kWh	\$ 0.0030	\$ 867,135	\$ 888,114	\$ 0.0027	\$ 813,710				
(46)				\$ 16,119,413	\$ 16,509,382		\$ 15,126,266				
(47) Competitive Transition Charge											
(48) Capacity Charge	2,814,280	kW	\$ 3.01	\$ 8,470,886	\$ 8,675,818			\$ 2.96	\$ 8,521,893		
(49) First 150 hrs use	435,697,564	kWh	\$ 0.0279	\$ 12,163,518	\$ 12,457,784			\$ 0.0274	\$ 12,236,760		
(50) Next 150 hrs use	355,277,140	kWh	\$ 0.0170	\$ 6,057,094	\$ 6,203,630			\$ 0.0167	\$ 6,093,567		
(51) Additional use	290,681,296	kWh	\$ 0.0064	\$ 1,843,854	\$ 1,888,461			\$ 0.0062	\$ 1,854,956		
(52)				\$ 28,535,351	\$ 29,225,693				\$ 28,707,177		
(53) Night Service Rider											
(54) Fixed Distribution Charge	3,432	Bills	\$ 11.21	\$ 38,473	\$ 39,404						
(55) Demand Charge	16,617	kW	\$ 0.86	\$ 14,291	\$ 14,637	\$ 0.81	\$ 13,411				
(56)				\$ 52,764	\$ 54,040		\$ 13,411				
(57) Electric Generation Charge											
(58) Capacity Charge	2,814,280	kW	\$ 3.89	\$ 10,940,252	\$ 11,204,924			\$ 3.94	\$ 11,358,849	\$ 4.00	\$ 11,539,914
(59) First 150 hrs use	435,697,564	kWh	\$ 0.0490	\$ 21,349,299	\$ 21,865,792			\$ 0.0495	\$ 22,086,815	\$ 0.0503	\$ 22,438,890
(60) Next 150 hrs use	355,277,140	kWh	\$ 0.0350	\$ 12,421,761	\$ 12,722,275			\$ 0.0353	\$ 12,832,338	\$ 0.0358	\$ 13,036,892
(61) Additional use	290,681,296	kWh	\$ 0.0211	\$ 6,144,137	\$ 6,292,779			\$ 0.0213	\$ 6,326,284	\$ 0.0216	\$ 6,427,128
(62)				\$ 50,855,449	\$ 52,085,770				\$ 52,604,286		\$ 53,442,824
(63)											
(64) Total Revenue				\$ 103,999,000	\$ 106,514,997						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)
(b) CTC Revenue = CTC Factor * Column (7)

Year 2002
Rate HT

Electric PA PUC No. 3

	Billing Determinants		Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.92535	Per Reconciliation		Pricing ' (c) (9)	Revenue (d) w/ Factor 1.01594 (10)			
	(4)							Pricing (a) (8)	Revenue (b) (9)					
(33) Fixed Distribution Charge	27,747	Bills	\$	286.86	\$ 7,959,474	\$	8,152,034							
(34)														
(35) Transmission Charge														
(36) Capacity Charge	24,898,251	kW	\$	0.79	\$ 19,719,147	\$	20,196,202							
(37) First 150 hrs use	2,130,931,747	kWh	\$	0.0042	\$ 9,006,974	\$	9,224,875							
(38) Next 150 hrs use	5,099,537,202	kWh	\$	0.0025	\$ 12,723,737	\$	13,031,556							
(39) Additional use	6,232,767,691	kWh	\$	0.0008	\$ 4,874,003	\$	4,991,918							
(40)					\$ 46,323,861	\$	47,444,552							
(41) Variable Distribution Charge														
(42) Capacity Charge	24,898,251	kW	\$	1.66	\$ 41,228,329	\$	42,225,745	\$	1.53	\$	39,073,793			
(43) First 150 hrs use	2,130,931,747	kWh	\$	0.0088	\$ 18,831,570	\$	19,287,153	\$	0.0082	\$	17,847,458			
(44) Next 150 hrs use	5,099,537,202	kWh	\$	0.0052	\$ 26,602,490	\$	27,246,071	\$	0.0048	\$	25,212,281			
(45) Additional use	6,232,767,691	kWh	\$	0.0016	\$ 10,190,452	\$	10,436,984	\$	0.0015	\$	9,657,913			
(46)					\$ 96,852,840	\$	99,195,954	\$		\$	91,791,444			
(47) Competitive Transition Charge														
(48) Capacity Charge	24,898,251	kW	\$	4.60	\$ 114,639,657	\$	117,413,078	\$		\$	4.52	\$ 115,329,961		
(49) First 150 hrs use	2,130,931,747	kWh	\$	0.0259	\$ 54,985,399	\$	56,315,634	\$		\$	0.0254	\$ 55,316,494		
(50) Next 150 hrs use	5,099,537,202	kWh	\$	0.0157	\$ 80,246,327	\$	82,187,687	\$		\$	0.0155	\$ 80,729,531		
(51) Additional use	6,232,767,691	kWh	\$	0.0058	\$ 36,005,467	\$	36,876,530	\$		\$	0.0057	\$ 36,222,275		
(52)					\$ 285,876,851	\$	292,792,930	\$		\$		\$ 287,598,260		
(53) Night Service Rider														
(54) Customer Charge	3,840	Bills	\$	11.21	\$ 43,046	\$	44,087							
(55) Demand Charge	525,737	kW	\$	0.91	\$ 478,421	\$	489,995	\$	0.84	\$	453,419			
(56)					\$ 521,467	\$	534,083	\$		\$	453,419			
(57) Electric Generation														
(58) Capacity Charge	24,898,251	kW	\$	5.71	\$ 142,114,553	\$	145,552,661	\$		\$	5.79	\$ 147,635,778	\$ 5.88	\$ 149,989,165
(59) First 150 hrs use	2,130,931,747	kWh	\$	0.0440	\$ 93,830,299	\$	96,100,290	\$		\$	0.0445	\$ 97,099,430	\$ 0.0452	\$ 98,647,242
(60) Next 150 hrs use	5,099,537,202	kWh	\$	0.0316	\$ 160,901,992	\$	164,794,615	\$		\$	0.0318	\$ 166,252,771	\$ 0.0323	\$ 168,902,922
(61) Additional use	6,232,767,691	kWh	\$	0.0192	\$ 119,707,912	\$	122,603,948	\$		\$	0.0193	\$ 123,258,203	\$ 0.0196	\$ 125,222,999
(62)					\$ 516,554,756	\$	529,051,513	\$		\$		\$ 534,246,183	\$	\$ 542,762,326
(63)														
(64) Base Revenue					\$ 954,089,249	\$	977,171,064							

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

Year 2002
Rate HT

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @	Per Reconciliation		Pricing (c) (9)	Revenue (d) w/ Factor 1.01594 (10)
							Pricing (a) (8)	Revenue (b) (9)		
(37) High Voltage Discount										
(38) >66 kV			\$ (180)	\$ (184)		\$ (171)				
(39) 66 kV			\$ (8,983)	\$ (9,200)		\$ (8,514)				
(40) 33 kV			\$ (611,242)	\$ (626,029)		\$ (579,299)				
(41)			\$ (620,405)	\$ (635,414)		\$ (587,983)				
(42) HT Auxiliary Service Rider										
(43) Firm kW										
(44) Transmission	314,340 kW	\$ 0.1500	\$ 47,706	\$ 48,860						
(45) Distribution	314,340 kW	\$ 0.3300	\$ 103,727	\$ 106,236	\$ 0.31	\$ 98,306				
(46) Competitive Transition Chrg	314,340 kW	\$ 0.8800	\$ 276,619	\$ 283,311			\$ 0.8645	\$ 278,285		
(47) Electric Generation	314,340 kW	\$ 1.6400	\$ 515,907	\$ 528,388			\$ 1.6555	\$ 533,415	\$ 1.6836	\$ 541,918
(48)		\$ 3.00	\$ 943,959	\$ 966,796						
(49)										
(50) Firm kWh										
(51) Transmission	46,820,419 kWh	\$ 0.0040	\$ 185,460	\$ 189,947						
(52) Distribution	46,820,419 kWh	\$ 0.0086	\$ 403,243	\$ 412,999	\$ 0.0080	\$ 382,170				
(53) Competitive Transition Chrg	46,820,419 kWh	\$ 0.0229	\$ 1,071,720	\$ 1,097,647			\$ 0.0225	\$ 1,078,173		
(54) Electric Generation	46,820,419 kWh	\$ 0.0428	\$ 2,005,616	\$ 2,054,137			\$ 0.0432	\$ 2,073,611	\$ 0.0439	\$ 2,106,665
(55)		\$ 0.0783	\$ 3,666,039	\$ 3,754,730						
(56)										
(57) Interruptable kWh										
(58) Transmission	35,721,342 kWh	\$ 0.0008	\$ 28,577	\$ 29,268						
(59) Distribution	35,721,342 kWh	\$ 0.0016	\$ 57,154	\$ 58,537	\$ 0.0015	\$ 54,167				
(60) Competitive Transition Chrg	35,721,342 kWh	\$ 0.0058	\$ 207,184	\$ 212,196			\$ 0.0057	\$ 208,431		
(61) Electric Generation	35,721,342 kWh	\$ 0.0192	\$ 685,850	\$ 702,442			\$ 0.0193	\$ 706,207	\$ 0.0196	\$ 717,464
(62)		\$ 0.0274	\$ 978,765	\$ 1,002,444						
(63)										
(64) Curtailment Rider			\$ (286,778)	\$ (293,716)						
(65)										
(66) LILR										
(67) Transmission	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,477,400						
(68) Distribution	652,934,600 kWh	\$ 0.0052	\$ 3,395,260	\$ 3,477,400	\$ 0.0048	\$ 3,217,828				
(69) Electric Generation			\$ 19,377,590	\$ 19,846,383						
(70)			\$ 26,168,110	\$ 26,801,182						
(71)										
(72) Adjusted Base Revenue			\$ 984,938,939	\$ 1,008,767,086						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

Year 2002
Rate POL

	Quantity	Annual kWh	Monthly Bundled Charge	Annual Revenue	Monthly Unbundled Charges					Per Reconciliation			Annual Unbundled Revenue					Per Reconciliation						
					Trans.	Dist.	CTC	Elec. Gen.	New Distr Pricing	CTC	Elec Gen	Elec Gen ^{1a} @ 1.01594	Trans.	Dist.	CTC	Elec. Gen.	Total	New Distr Revenue @ 0.93097	CTC	Elec Gen	Elec Gen ^{1a} @ 1.01594			
Mercury Vapor Company Pole																								
4000 Lumens	269	527	3579	\$12.72	\$45,467	\$2361.071	\$60,441	\$0.08	\$11.18	\$3.04	\$1.44	\$ 10.16	\$0.04	\$1.44	\$1.46	\$ 378	\$ 79,892	\$ 257	\$ 8,113	\$ 89,441	\$ 65,813	\$ 252	\$ 8,118	\$ 8,263
8000 Lumens	153	270	1838	\$17.27	\$31,708	\$6031.75	\$55,955	\$0.09	\$15.15	\$0.07	\$1.96	\$ 13.77	\$0.07	\$1.96	\$1.99	\$ 282	\$ 49,094	\$ 230	\$ 8,339	\$ 55,955	\$ 45,705	\$ 228	\$ 6,343	\$ 6,444
12000 Lumens	214	378	2568	\$21.30	\$54,698	\$9659.332	\$86,817	\$0.11	\$18.67	\$0.10	\$2.41	\$ 16.97	\$0.10	\$2.41	\$2.45	\$ 480	\$ 84,700	\$ 473	\$ 10,948	\$ 96,817	\$ 78,853	\$ 464	\$ 10,955	\$ 11,130
20000 Lumens	557	894	6684	\$27.48	\$183,676	\$324580.44	\$324,484	\$0.14	\$24.10	\$0.13	\$3.11	\$ 21.90	\$0.13	\$3.11	\$3.18	\$ 1,653	\$ 284,521	\$ 1,550	\$ 38,760	\$ 324,484	\$ 264,881	\$ 1,522	\$ 38,768	\$ 37,374
22000 Lumens	23	41	278	\$29.72	\$8,203	\$14495.295	\$14,822	\$0.16	\$26.06	\$0.14	\$3.37	\$ 23.88	\$0.14	\$3.37	\$3.42	\$ 79	\$ 12,819	\$ 68	\$ 1,657	\$ 14,822	\$ 11,934	\$ 68	\$ 1,659	\$ 1,885
Customer Pole																								
4000 Lumens	196	346	2352	\$11.45	\$26,930	\$7589.591	\$47,540	\$0.08	\$10.01	\$0.08	\$1.30	\$ 8.10	\$0.08	\$1.30	\$1.32	\$ 240	\$ 41,582	\$ 344	\$ 5,388	\$ 47,540	\$ 38,893	\$ 338	\$ 5,392	\$ 5,478
8000 Lumens	80	141	960	\$16.05	\$15,408	\$27227.981	\$27,157	\$0.09	\$14.03	\$0.11	\$1.82	\$ 12.75	\$0.11	\$1.82	\$1.85	\$ 152	\$ 23,738	\$ 189	\$ 3,077	\$ 27,157	\$ 22,100	\$ 188	\$ 3,080	\$ 3,080
12000 Lumens	128	228	1538	\$20.21	\$31,043	\$4858.324	\$54,810	\$0.11	\$17.67	\$0.14	\$2.29	\$ 16.06	\$0.14	\$2.29	\$2.33	\$ 298	\$ 47,921	\$ 381	\$ 6,209	\$ 54,810	\$ 44,613	\$ 374	\$ 6,216	\$ 6,216
20000 Lumens	548	968	6576	\$26.05	\$171,305	\$302718.32	\$302,597	\$0.14	\$22.78	\$0.18	\$2.95	\$ 20.71	\$0.18	\$2.95	\$3.00	\$ 1,628	\$ 284,612	\$ 2,078	\$ 34,281	\$ 302,597	\$ 246,347	\$ 2,041	\$ 34,318	\$ 34,318
22000 Lumens	6	11	72	\$28.29	\$2,037	\$3599.4373	\$3,734	\$0.16	\$24.74	\$0.19	\$3.20	\$ 22.49	\$0.16	\$3.20	\$3.26	\$ 21	\$ 3,286	\$ 24	\$ 423	\$ 3,734	\$ 3,040	\$ 24	\$ 423	\$ 430
Sodium Vapor Company Pole																								
5800 Lumens	28	51	348	\$17.39	\$6,052	\$10894.192	\$10,843	\$0.08	\$15.28	\$0.07	\$1.97	\$ 13.87	\$0.07	\$1.97	\$2.00	\$ 55	\$ 9,340	\$ 42	\$ 1,206	\$ 10,843	\$ 8,995	\$ 42	\$ 1,206	\$ 1,228
25000 Lumens	74	131	888	\$27.70	\$24,598	\$43487.224	\$43,544	\$0.14	\$24.29	\$0.14	\$3.14	\$ 22.08	\$0.13	\$3.15	\$3.20	\$ 220	\$ 38,177	\$ 214	\$ 4,933	\$ 43,544	\$ 35,542	\$ 211	\$ 4,936	\$ 5,015
50000 Lumens	274	484	3288	\$30.41	\$98,988	\$178892.21	\$178,621	\$0.18	\$26.68	\$0.15	\$3.45	\$ 24.23	\$0.15	\$3.45	\$3.50	\$ 929	\$ 154,816	\$ 867	\$ 20,009	\$ 176,821	\$ 144,129	\$ 852	\$ 20,024	\$ 20,344
50000 Lumens	265	488	3180	\$32.84	\$103,795	\$183418.89	\$183,306	\$0.17	\$28.81	\$0.17	\$3.70	\$ 26.00	\$0.16	\$3.71	\$3.77	\$ 955	\$ 180,649	\$ 938	\$ 20,786	\$ 183,306	\$ 149,560	\$ 919	\$ 20,783	\$ 21,114
Customer Pole																								
5800 Lumens	13	23	158	\$18.15	\$2,519	\$4452.1142	\$4,457	\$0.09	\$14.12	\$0.11	\$1.83	\$ 12.83	\$0.11	\$1.83	\$1.86	\$ 25	\$ 3,897	\$ 30	\$ 505	\$ 4,457	\$ 3,828	\$ 30	\$ 505	\$ 513
25000 Lumens	23	41	278	\$26.27	\$7,251	\$12812.631	\$12,925	\$0.14	\$22.97	\$0.18	\$2.98	\$ 20.88	\$0.18	\$2.98	\$3.03	\$ 89	\$ 11,301	\$ 90	\$ 1,464	\$ 12,925	\$ 10,521	\$ 89	\$ 1,485	\$ 1,488
50000 Lumens	92	163	1104	\$28.98	\$31,994	\$56537.503	\$56,885	\$0.18	\$25.34	\$0.20	\$3.28	\$ 23.03	\$0.19	\$3.28	\$3.34	\$ 313	\$ 49,565	\$ 385	\$ 6,422	\$ 56,885	\$ 46,144	\$ 378	\$ 6,428	\$ 6,531
50000 Lumens	115	203	1380	\$31.21	\$43,070	\$78110.053	\$78,028	\$0.17	\$27.29	\$0.21	\$3.54	\$ 24.81	\$0.21	\$3.54	\$3.60	\$ 414	\$ 66,478	\$ 522	\$ 8,613	\$ 76,028	\$ 61,890	\$ 513	\$ 8,622	\$ 8,760
Standard Metal Halide Company Pole																								
36000 Lumens	108	191	1298	\$32.14	\$41,653	\$73807.157	\$73,865	\$0.17	\$28.17	\$0.18	\$3.64	\$ 25.80	\$0.18	\$3.64	\$3.70	\$ 380	\$ 84,583	\$ 367	\$ 8,345	\$ 73,865	\$ 60,108	\$ 381	\$ 8,351	\$ 8,484
110000 Lumens	23	41	276	\$58.30	\$15,538	\$27458.122	\$27,700	\$0.30	\$49.29	\$0.33	\$8.38	\$ 44.80	\$0.33	\$8.38	\$8.49	\$ 148	\$ 24,250	\$ 164	\$ 3,138	\$ 27,700	\$ 22,576	\$ 181	\$ 3,141	\$ 3,191
Customer Pole																								
36000 Lumens	65	115	780	\$30.75	\$23,985	\$42384.678	\$42,435	\$0.17	\$28.89	\$0.21	\$3.48	\$ 24.44	\$0.20	\$3.48	\$3.54	\$ 235	\$ 37,108	\$ 285	\$ 4,807	\$ 42,435	\$ 34,547	\$ 280	\$ 4,812	\$ 4,888
110000 Lumens	10	18	120	\$54.91	\$6,588	\$11643.991	\$11,861	\$0.30	\$48.01	\$0.38	\$6.22	\$ 43.84	\$0.37	\$6.23	\$6.33	\$ 65	\$ 10,370	\$ 82	\$ 1,344	\$ 11,861	\$ 9,654	\$ 80	\$ 1,348	\$ 1,387
Standard High Pressure Sodium Vapor Company Pole																								
5800 Lumens	10	18	120	\$19.55	\$2,346	\$4145.8834	\$4,223	\$0.10	\$17.16	\$0.08	\$2.21	\$ 15.60	\$0.08	\$2.21	\$2.25	\$ 22	\$ 3,708	\$ 17	\$ 478	\$ 4,223	\$ 3,450	\$ 16	\$ 479	\$ 488
9500 Lumens	6	11	72	\$20.87	\$1,488	\$2629.9176	\$2,728	\$0.11	\$19.14	\$0.08	\$2.34	\$ 16.48	\$0.08	\$2.34	\$2.38	\$ 15	\$ 2,394	\$ 10	\$ 309	\$ 2,728	\$ 2,229	\$ 10	\$ 308	\$ 314
16000 Lumens	5	9	60	\$22.59	\$1,355	\$2385.1717	\$2,440	\$0.12	\$19.82	\$0.09	\$2.56	\$ 18.01	\$0.09	\$2.56	\$2.60	\$ 13	\$ 2,140	\$ 10	\$ 278	\$ 2,440	\$ 1,993	\$ 10	\$ 278	\$ 278
25000 Lumens	41	72	492	\$26.54	\$13,058	\$23074.854	\$22,931	\$0.14	\$23.27	\$0.13	\$3.01	\$ 21.15	\$0.12	\$3.02	\$3.07	\$ 121	\$ 20,104	\$ 108	\$ 2,588	\$ 22,931	\$ 18,716	\$ 108	\$ 2,600	\$ 2,600
50000 Lumens	115	203	1380	\$32.20	\$44,438	\$78524.31	\$78,439	\$0.17	\$28.22	\$0.16	\$3.65	\$ 25.85	\$0.16	\$3.65	\$3.71	\$ 414	\$ 68,739	\$ 400	\$ 8,886	\$ 78,439	\$ 63,994	\$ 393	\$ 8,893	\$ 8,931
Customer Pole																								
5800 Lumens	1	2	12	\$18.16	\$218	\$385.09356	\$436	\$0.10	\$15.88	\$0.12	\$2.06	\$ 14.43	\$0.12	\$2.06	\$2.09	\$ 2	\$ 381	\$ 3	\$ 49	\$ 436	\$ 355	\$ 3	\$ 49	\$ 50
8500 Lumens	4	7	48	\$18.28	\$925	\$1635.3753	\$1,620	\$0.11	\$16.88	\$0.13	\$2.18	\$ 15.33	\$0.12	\$2.18	\$2.22	\$ 9	\$ 1,418	\$ 11	\$ 183	\$ 1,620	\$ 1,318	\$ 10	\$ 184	\$ 187
16000 Lumens	1	2	12	\$21.20	\$254	\$448.55856	\$508	\$0.12	\$18.54	\$0.14	\$2.40	\$ 16.85	\$0.14	\$2.40	\$2.44	\$ 3	\$ 445	\$ 3	\$ 58	\$ 508	\$ 414	\$ 3	\$ 58	\$ 59
25000 Lumens	13	23	158	\$25.14	\$3,822	\$6930.4118	\$6,938	\$0.14	\$21.98	\$0.17	\$2.85	\$ 19.98	\$0.17	\$2.85	\$2.90	\$ 38	\$ 6,066	\$ 47	\$ 786	\$ 6,938	\$ 5,648	\$ 47	\$ 786	\$ 799
50000 Lumens	19	34	228	\$30.80	\$7,022	\$12409.513	\$12,568	\$0.17	\$26.93	\$0.21	\$3.49	\$ 24.48	\$0.21	\$3.49	\$3.55	\$ 69	\$ 10,897	\$ 66	\$ 1,424	\$ 12,568	\$ 10,229	\$ 84	\$ 1,426	\$ 1,449
6.202				\$1,052,553	\$1,860,000	\$1,860,858										\$ 9,772	\$ 1,829,820	\$ 10,274	\$ 210,790	\$1,860,858	\$ 1,517,318	\$ 10,092	\$ 210,972	\$ 214,335
																\$ 10,009	\$ 1,669,249	\$ 10,522	\$ 215,889	\$1,905,870	\$ 1,554,025	\$ 10,334	\$ 215,830	\$ 219,270

(a) Elec Gen @ 1.01594 = Revenue Factor 1.01594 * Elec Gen (Reconciliation)

Year 2002
Rate SL-P

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01594 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(27) Facilities Charge										
(28) City Control	93,161	\$ 8.64	\$ 9,658,903	\$ 9,892,576	\$ 8.04	\$ 9,208,519				
(29) Company Control - Aerial	-	\$ 9.24	\$ -	\$ -						
(30) Company Control - Underground	-	\$ 12.89	\$ -	\$ -						
(31)			\$ 9,658,903	\$ 9,892,576						
(32) Transmission Charge										
(33) Capacity Charge	179,516,200 W	\$ 0.0002	\$ 43,146	\$ 44,190						
(34) Energy Charge	88,803,000 kWh	\$ 0.0012	\$ 110,409	\$ 113,080						
(35)			\$ 153,555	\$ 157,270						
(36) Variable Distribution Chg.										
(37) Capacity Charge	179,516,200 W	\$ 0.0015	\$ 271,090	\$ 277,649	\$ 0.0014	\$ 258,450				
(38) Energy Charge	88,803,000 kWh	\$ 0.0078	\$ 693,714	\$ 710,496	\$ 0.0073	\$ 661,367				
(39)			\$ 964,804	\$ 988,145		\$ 919,816				
(40) CTC Charge										
(41) Capacity Charge	179,516,200 W	\$ 0.0008	\$ 134,703	\$ 137,962			\$ 0.0007	\$ 135,514		
(42) Energy Charge	88,803,000 kWh	\$ 0.0055	\$ 482,018	\$ 493,679			\$ 0.0053	\$ 484,920		
(43)			\$ 616,721	\$ 631,641				\$ 620,434		
(44)										
(45) Outtage Allowance			\$ (8,616)	\$ (8,824)						
(46)										
(47) Electric Generation Charge										
(48) Capacity Charge	179,516,200 W	\$ 0.0012	\$ 215,271	\$ 220,479			\$ 0.0013	\$ 222,927	\$ 0.0012	\$ 226,480
(49) Energy Charge	88,803,000 kWh	\$ 0.0239	\$ 2,123,894	\$ 2,175,277			\$ 0.0241	\$ 2,184,035	\$ 0.0244	\$ 2,218,850
(50)			\$ 2,339,165	\$ 2,395,755				\$ 2,406,962		\$ 2,445,330
(51)										
(52) Total Revenue			\$ 13,724,532	\$ 14,056,563						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

Year 2002
Rate SLE

Electric PA PUC No. 3 - Supplement 10

	Billing Determinants (4)		Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7) = (6) * 1.02	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01594 (11)
								Pricing (a) (8)	Revenue (b) (9)		
(23) Service Location Charge - Trans.	831,508	Locations	\$ -	\$ -	\$ -						
(24) Service Location Charge - Dist	831,508	Locations	\$ 7.00	\$ 5,820,557	\$ 5,960,250	\$ 6.51	\$ 5,548,108				
(25) Service Location Charge - CTC	831,508	Locations	\$ -	\$ -	\$ -						
(26)				\$ 5,820,557	\$ 5,960,250						
(27) Transmission Charge											
(28) Capacity Charge	136,607,992	Watt	\$ 0.00055	\$ 75,496	\$ 77,308						
(29) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(30)				\$ 75,496	\$ 77,308						
(31) Variable Distribution Charge											
(32) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -						
(33) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(34)				\$ -	\$ -						
(35) Competitive Transition Charge											
(36) Capacity Charge	136,607,992	Watt	\$ 0.00062	\$ 84,163	\$ 86,183			\$ 0.00061	\$ 84,654		
(37) Energy Charge	47,017,000	kWh	\$ 0.00389	\$ 183,021	\$ 187,414			\$ 0.00385	\$ 184,088		
(38)				\$ 267,184	\$ 273,596				\$ 268,742		
(39) Electric Generation Charge											
(40) Capacity Charge	136,607,992	Watt	\$ 0.00289	\$ 395,447	\$ 404,938			\$ 0.00290	\$ 406,467	\$ 0.0030	\$ 412,946
(41) Energy Charge	47,017,000	kWh	\$ 0.03215	\$ 1,511,802	\$ 1,548,085			\$ 0.03219	\$ 1,551,410	\$ 0.0327	\$ 1,576,140
(42)				\$ 1,907,249	\$ 1,953,023				\$ 1,957,877		\$ 1,989,086
(43)											
(44) Total Revenue				\$ 8,070,485	\$ 7,990,580						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

Year 2002
Rate SL-S

Billed Demand	Quantity	Annual Bundled Charge	Annual Bundled Revenue	Annual Unbundled Charges					Annual Unbundled Revenue																							
				Trans.	Dist.	CTC	Elec. Gen.	New Distr Pricing	CTC	Elec Gen	Elec Gen ^(a) @ 1.01594	Trans.	Dist.	CTC	Elec. Gen.	Total	New Distr Revenue @	CTC	Elec Gen	Elec Gen ^(a) @ 1.01594												
Incandescent																																
320 Lumens	32 Watts	164	\$99.26	\$	18,279	\$1.57	\$74.27	\$7.22	\$18.20	\$67.50	\$7.09	\$18.33	16.59	\$	257	\$	12,180	\$	1,184	\$	2,656	\$	18,279	\$	11,338	\$	1,183	\$	2,877	\$	2,720	
600 Lumens	58 Watts	21	\$138.30	\$	2,904	\$2.18	\$103.49	\$10.08	\$22.57	\$94.06	\$9.88	\$22.75	23.11	\$	46	\$	2,173	\$	211	\$	474	\$	2,904	\$	2,023	\$	208	\$	477	\$	485	
1000 Lumens	103 Watts	1,532	\$164.00	\$	297,208	\$3.06	\$145.16	\$14.12	\$31.66	\$131.93	\$13.87	\$31.91	32.42	\$	4,688	\$	222,385	\$	21,638	\$	48,499	\$	297,208	\$	207,008	\$	21,252	\$	48,883	\$	49,682	
2500 Lumens	202 Watts	342	\$286.96	\$	91,300	\$4.22	\$199.76	\$19.42	\$43.56	\$181.55	\$19.07	\$43.91	44.61	\$	1,443	\$	68,318	\$	6,841	\$	14,899	\$	91,300	\$	83,594	\$	6,523	\$	15,017	\$	15,256	
6000 Lumens	448 Watts	39	\$304.58	\$	11,879	\$4.81	\$227.91	\$22.16	\$49.70	\$207.14	\$21.78	\$50.10	50.89	\$	188	\$	8,888	\$	864	\$	1,938	\$	11,879	\$	8,274	\$	849	\$	1,954	\$	1,985	
10000 Lumens	660 Watts	-	\$364.64	\$	-	\$5.76	\$272.85	\$26.53	\$59.50	\$253.98	\$26.06	\$59.97	60.93	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Mercury Vapor																																
4000 Lumens	115 Watts	8,493	\$228.29	\$	1,938,887	\$3.60	\$170.82	\$16.62	\$37.25	\$253.88	\$16.32	\$37.55	38.15	\$	30,575	\$	1,450,774	\$	141,129	\$	316,389	\$	1,938,887	\$	1,350,455	\$	138,625	\$	318,893	\$	323,978	
8000 Lumens	191 Watts	4,682	\$241.10	\$	1,131,241	\$3.61	\$180.41	\$17.54	\$39.34	\$163.67	\$17.23	\$39.85	40.29	\$	17,877	\$	848,484	\$	82,282	\$	184,589	\$	1,131,241	\$	787,951	\$	80,822	\$	186,059	\$	189,024	
12000 Lumens	275 Watts	1,330	\$257.08	\$	341,918	\$4.06	\$192.36	\$18.71	\$41.95	\$174.83	\$18.38	\$42.28	42.96	\$	5,400	\$	255,839	\$	24,883	\$	55,795	\$	341,918	\$	238,148	\$	24,442	\$	58,236	\$	57,133	
20000 Lumens	429 Watts	2,088	\$301.99	\$	629,951	\$4.77	\$225.97	\$21.97	\$49.28	\$205.38	\$21.58	\$49.67	50.48	\$	9,850	\$	471,373	\$	45,831	\$	102,797	\$	629,951	\$	438,779	\$	45,017	\$	103,811	\$	105,283	
42000 Lumens	788 Watts	130	\$430.18	\$	55,923	\$6.79	\$321.89	\$31.30	\$70.20	\$292.55	\$30.75	\$70.75	71.88	\$	883	\$	41,846	\$	4,089	\$	9,126	\$	55,923	\$	38,952	\$	3,997	\$	9,198	\$	9,345	
56000 Lumens	1090 Watts	135	\$484.90	\$	65,462	\$7.66	\$362.83	\$35.28	\$79.13	\$329.78	\$34.66	\$79.75	81.02	\$	1,034	\$	48,982	\$	4,763	\$	10,682	\$	65,462	\$	45,595	\$	4,879	\$	10,768	\$	10,938	
Sodium Vapor																																
5800 Lumens	94 Watts	444	\$226.58	\$	100,602	\$3.58	\$169.54	\$16.49	\$36.97	\$154.09	\$16.19	\$37.27	37.88	\$	1,590	\$	75,276	\$	7,320	\$	16,418	\$	100,602	\$	70,071	\$	7,190	\$	16,546	\$	16,810	
9500 Lumens	131 Watts	583	\$246.35	\$	136,895	\$3.88	\$184.34	\$17.92	\$40.20	\$167.54	\$17.60	\$40.52	41.18	\$	2,190	\$	103,783	\$	10,089	\$	22,833	\$	136,895	\$	96,607	\$	9,910	\$	22,812	\$	23,175	
16000 Lumens	192 Watts	153	\$278.89	\$	42,334	\$4.37	\$207.04	\$20.13	\$45.15	\$168.17	\$19.77	\$45.51	46.23	\$	869	\$	31,677	\$	3,080	\$	6,908	\$	42,334	\$	29,487	\$	3,025	\$	6,963	\$	7,074	
25000 Lumens	294 Watts	847	\$314.35	\$	203,384	\$4.96	\$235.22	\$22.87	\$51.30	\$213.78	\$22.47	\$51.70	52.53	\$	3,209	\$	152,167	\$	14,799	\$	33,189	\$	203,384	\$	141,664	\$	14,537	\$	33,451	\$	33,985	
50000 Lumens	450 Watts	163	\$374.54	\$	61,050	\$5.91	\$280.26	\$27.25	\$61.12	\$254.72	\$28.77	\$61.60	62.58	\$	963	\$	45,682	\$	4,442	\$	9,982	\$	61,050	\$	42,524	\$	4,363	\$	10,041	\$	10,201	
Total																																
					\$5,128,995	\$80,961	\$3,837,849	\$373,223	\$638,962	\$	5,128,995	\$	3,572,467	\$	3,658,894	\$	3,754,400	\$	884,063	\$	857,030	\$	877,637	\$								

(a) Elec Gen @ 1.01594 = Revenue Factor 1.01594 * Elec Gen (Reconciliation)

Year 2002
Rate TL

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) / Factor 1.01594 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(12) Transmission Charge	39,681,000 kWh	\$ 0.0058	\$ 230,171	\$ 235,740						
(13)										
(14) Variable Distribution Charge	39,681,000 kWh	\$ 0.0211	\$ 837,165	\$ 857,418	\$ 0.0196	\$ 798,129				
(15)										
(16) Competitive Transition Charge	39,681,000 kWh	\$ 0.0328	\$ 1,300,286	\$ 1,331,744			\$ 0.0322	\$ 1,308,116		
(17)										
(18) Unaccounted for			\$ 5,398	\$ 5,529						
(19)										
(20) Market Generation	39,681,000 kWh	\$ 0.0544	\$ 2,159,979	\$ 2,212,235			\$ 0.0550	\$ 2,235,862	\$ 0.0559	\$ 2,271,503
(21)										
(22) Total Revenue			\$ 4,533,000	\$ 4,642,665						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

**Year 2002
Rate EP**

Electric PA PUC No. 3

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.92490	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01594 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(21) Fixed Distribution Charge	465 Deliv. points	\$ 1,243.85	\$ 578,926	\$ 592,932						
(22)										
(23) Transmission Charge										
(24) Capacity Charge	1,770,350 kW	\$ 1.03	\$ 1,821,164	\$ 1,865,223						
(25) Energy Charge	638,800,000 kWh	\$ 0.0008	\$ 496,005	\$ 508,005						
(26)			\$ 2,317,169	\$ 2,373,227						
(27) Variable Distribution Charge										
(28) Capacity Charge	1,770,350 kW	\$ 2.98	\$ 5,283,838	\$ 5,411,667	\$ 2.76	\$ 5,005,235				
(29) Energy Charge	638,800,000 kWh	\$ 0.0023	\$ 1,439,085	\$ 1,473,900	\$ 0.0021	\$ 1,363,205				
(30)			\$ 6,722,923	\$ 6,885,567		\$ 6,368,440				
(31) Competitive Transition Charge										
(32) Capacity Charge	1,770,350 kW	\$ 5.45	\$ 9,640,407	\$ 9,873,632			\$ 5.35	\$ 9,698,457		
(33) Energy Charge	638,800,000 kWh	\$ 0.0053	\$ 3,402,935	\$ 3,485,261			\$ 0.0052	\$ 3,423,426		
(34)			\$ 13,043,342	\$ 13,358,893				\$ 13,121,883		
(35) Electric Generation Charge										
(36) Capacity Charge	1,770,350 kW	\$ 7.00	\$ 12,394,545	\$ 12,694,400			\$ 7.10	\$ 12,869,576	\$ 7.21	\$ 13,074,723
(37) Energy Charge	638,800,000 kWh	\$ 0.0190	\$ 12,165,095	\$ 12,459,399			\$ 0.0191	\$ 12,521,234	\$ 0.0194	\$ 12,720,829
(38)			\$ 24,559,640	\$ 25,153,799				\$ 25,390,810		\$ 25,795,552
(39)										
(40) Total Revenue			\$ 47,222,000	\$ 48,364,419						

(a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)

(b) CTC Revenue = CTC Factor * Column (7)

(c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(d) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

Year 2002
Rate AL

	Billing Determinants (4)	Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01594 (11)
							Pricing (a) (8)	Revenue (b) (9)		
(10) Transmission Charge (11)	31,472 kWh	\$ 0.0007	\$ 22	\$ 22						
(12) Variable Distribution Charge (13)	31,472 kWh	\$ 0.1112	\$ 3,499	\$ 3,583	\$ 0.1035	\$ 3,336				
(14) CTC Charge (15)	31,472 kWh	\$ 0.0008	\$ 26	\$ 27			\$ 0.0008	\$ 26		
(16) Market Generation (17)	31,472 kWh	\$ 0.0144	\$ 453	\$ 464			\$ 0.0144	\$ 465	\$ 0.0147	\$ 472
(18) Total Revenues			\$ 4,000	\$ 4,097						

- (a) CTC Pricing = CTC Revenue / (Usage * 1.024 growth factor)
- (b) CTC Revenue = CTC Factor * Column (7)
- (c) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)
- (d) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

**Year 2002
Auxiliary Service Rider**

	Bundled	Trans.	Dist.	CTC	Energy	New Distr Pricing	Per Reconciliation			
							CTC	Energy	Energy ^(c) @ 1.01594	
FIRM BACK-UP POWER										
Demand Charge (\$/kW)										
All Customers	\$3.00	\$ 0.15	\$ 0.33	\$ 0.88	\$ 1.64	0.31 (a)	\$ 0.86	\$ 1.66	\$ 1.6818	
Energy Charge (\$/kWh)										
High Tension Voltage	\$ 0.0783	\$ 0.0040	\$ 0.0086	\$ 0.0229	\$ 0.0428	0.0080 (a)	\$ 0.0225	\$ 0.0432	\$ 0.0439	
Primary Voltage	\$ 0.0988	\$ 0.0048	\$ 0.0186	\$ 0.0271	\$ 0.0483	0.0172 (a)	\$ 0.0266	\$ 0.0488	\$ 0.0496	
Secondary Voltage	\$ 0.1245	\$ 0.0063	\$ 0.0230	\$ 0.0357	\$ 0.0595	0.0210 (b)	\$ 0.0351	\$ 0.0601	\$ 0.0611	
INTERRUPTIBLE BACK-UP POWER										
Energy Charge (\$/kWh)										
High Tension Voltage	\$ 0.0274	\$ 0.0008	\$ 0.0016	\$ 0.0058	\$ 0.0192	0.0015 (a)	\$ 0.0057	\$ 0.0193	\$ 0.0196	
Primary Voltage	\$ 0.0314	\$ 0.0009	\$ 0.0030	\$ 0.0064	\$ 0.0211	0.0028 (a)	\$ 0.0062	\$ 0.0213	\$ 0.0216	
Secondary Voltage	\$ 0.0637	\$ 0.0030	\$ 0.0084	\$ 0.0173	\$ 0.0350	0.0077 (b)	\$ 0.0171	\$ 0.0352	\$ 0.0358	

(a) refer to Rate HT multiplier

(b) refer to Rate GS multiplier

(c) Energy @ 1.01594 = Revenue Factor 1.01594 * Energy

**Year 2002
Employment and Economic Recovery Rider**

	Bundled (¢/kWh)	Tran (¢/kWh)	Dist (¢/kWh)	CTC (¢/kWh)	Energy (¢/kWh)	New Distr Pricing @ 0.92535	Per Reconciliation		Energy (*) @ 1.01594
							CTC	Energy	
Existing Location									
Years									
1-5	0.050	0.003	0.006	0.014	0.027	0.006	0.013	0.028	0.028
6	0.040	0.002	0.004	0.012	0.022	0.004	0.012	0.022	0.022
7	0.030	0.002	0.003	0.009	0.016	0.003	0.008	0.017	0.017
8	0.020	0.001	0.002	0.006	0.011	0.002	0.006	0.011	0.011
9	0.010	0.001	0.001	0.003	0.005	0.001	0.002	0.006	0.006
New Service Location									
Years									
1-5	1.000	0.051	0.110	0.292	0.547	0.102	0.287	0.552	0.561
6	0.800	0.041	0.088	0.233	0.438	0.081	0.229	0.442	0.449
7	0.600	0.030	0.066	0.176	0.328	0.061	0.173	0.331	0.337
8	0.400	0.020	0.044	0.117	0.219	0.041	0.115	0.221	0.224
9	0.200	0.010	0.022	0.059	0.109	0.020	0.058	0.110	0.112
Accelerated									
Years									
1-4	1.35	0.069	0.149	0.393	0.739	0.138	0.386	0.746	0.757

**Year 2002
Seasonal Capacity Charge Service Rider**

<u>Summer</u>	New Dist Pricing	Per Reconciliation	Revenue ^(a) @ 1.01594
Transmission	\$1.49		
Distribution	\$3.14		
CTC	\$8.67	\$ 8.52	
Market Energy	\$10.77	\$ 10.92	\$ 11.10
Bundled	\$24.07	\$24.07	
	\$2.91		

<u>Winter</u>	New Dist Pricing	Per Reconciliation	Revenue ^(a) @ 1.01594
	\$0.37		
	\$0.79		
	\$2.17	\$ 2.13	
	\$2.69	\$ 2.73	\$ 2.78
	\$6.02	\$6.02	
	\$ 0.73		

Cooling Thermal Storage HT Rider

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

(a) Revenue @ 1.01594 = Energy and Capacity Revenue * 1.01594

Year 2002
Suburban Street Lighting Rider

Electric PA PUC No. 3

	Billing Determinants (4)		Pricing (5)=(6)/(4)	Revenue (6)	Growth Ratio (7)=(6)x1.024	New Pricing for Distribution	New Distribution Revenue @ 0.93085	Per Reconciliation		Pricing (c) (10)	Revenue (d) w/ Factor 1.01594 (11)
								Pricing (8)	Revenue (9)		
(23) Service Location Charge - Trans.	831,508	Locations	\$ 0.09	\$ 75,496	\$ 77,322						
(24) Service Location Charge - Dist	831,508	Locations	\$ 9.53	\$ 7,922,340	\$ 8,114,001	\$ 8.87	\$ 7,552,930				
(25) Service Location Charge - CTC	831,508	Locations	\$ 0.32	\$ 267,184	\$ 273,647			\$ 0.32	\$ 268,792		
(26)				\$ 8,265,019	\$ 8,464,971						
(27) Transmission Charge											
(28) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -						
(29) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(30)				\$ -	\$ -						
(31) Variable Distribution Charge											
(32) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -						
(33) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(34)				\$ -	\$ -						
(35) Competitive Transition Charge											
(36) Capacity Charge	136,607,992	Watt	\$ -	\$ -	\$ -						
(37) Energy Charge	47,017,000	kWh	\$ -	\$ -	\$ -						
(38)				\$ -	\$ -						
(39) Electric Generation Charge											
(40) Capacity Charge	136,607,992	Watt	\$ 0.0029	\$ 395,447	\$ 405,014			\$ 0.0029	\$ 406,545	\$ 0.0030	\$ 413,026
(41) Energy Charge	47,017,000	kWh	\$ 0.0183	\$ 858,533	\$ 879,303			\$ 0.0183	\$ 882,627	\$ 0.0186	\$ 896,697
(42)				\$ 1,253,981	\$ 1,284,318				\$ 1,289,173		\$ 1,309,723
(43)											
(44) Total Revenue				\$ 9,519,000	\$ 9,749,289						

(a) Electric Generation Pricing = Electric Generation Revenue / (Usage * 1.024 growth factor)

(b) Electric Generation Revenue w/ Factor 1.01594 = Revenue Factor * Column (9)

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FIL NO.
7135/1

Re: RNR Filings for
Pike County Power & Light Company, R-00016849C001
PPL Electric Utilities, R-00016850C001
Pennsylvania Power Company, R-00016851C001
Metropolitan Edison Company, R-00016852C001
Pennsylvania Electric Company, R-00016853C001
Duquesne Light Company, R-00016854C001
UGI Utilities -Electric Division, R-00016855C001
PECO Energy Company, R-00016856C001
West Penn Power Company, R-00016857C001

VIA HAND DELIVERY


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

Dear Secretary McNulty:

Enclosed please find an original and three copies of the Mid-Atlantic Power Supply Association's Petitions to Intervene in the above-captioned dockets.

Sincerely,

RHOADS & SINON LLP

By: 
Kathryn G. Sophy

Cc: Certificate of Service

DOCUMENT
FOLDER

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01 DEC -7 PM 4:19
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SECRETARY'S BUREAU

59

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Notice and Petition of PECO Energy :
Company for Recovery of the Revenue : Docket No. R-00016856C0001
Neutral Reconciliation (RNR) Tax :
Effects for 2002 :

PETITION TO INTERVENE OF
MID-ATLANTIC POWER SUPPLY ASSOCIATION

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Now comes the Mid-Atlantic Power Supply Association ("MAPSA"), pursuant to 52 Pa. Code § 5.71 *et seq.*, and hereby petitions to intervene in the above-captioned proceeding. In support of this petition, MAPSA states as follows:

1. MAPSA is an association of power marketers, independent power producers, and a broad range of companies who support the electric services industry with an interest in the emerging electric power supply market within the Commonwealth of Pennsylvania and the Mid-Atlantic region.¹

DOCUMENT
FOLDER

¹ MAPSA's Board of Directors includes representatives of Amerada Hess; Calpine Eastern; Chevron Energy Solutions; DTE Energy Marketing, Inc.; Green Mountain Energy Company; Odyssey Strategies, Inc.; PG&E National Energy Group; Shell Energy Services Co., LLC; and Strategic Energy L.L.C. This filing represents the position of MAPSA as an organization, *but not necessarily* the views of any particular member with respect to any specific issue.

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

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3. On October 29, 2001, PECO Energy Company ("PECO") filed with the Commission a tariff supplement to recover increased tax obligations associated with an increase in the Gross Receipts Tax ("GRT") through the Revenue Neutral Reconciliation ("RNR") charge.

4. On November 19, 2001, the Office of Consumer Advocate filed a complaint against PECO, arguing that PECO's request will result in charges that exceed the statutory rate cap.

5. MAPSA has no objection to an EDC recovering costs associated with the RNR, provided those costs are recovered in a competitively-neutral manner. However, recovery of these costs through mechanisms which potentially extend CTC recovery, conceal the increased tax recovery or otherwise tilt the competitive playing field would result in direct harm to EGSs that operate or intend to operate within PECO's distribution territory.

6. The standard for eligibility to intervene is set forth in 52 Pa. Code § 5.72:

A petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought. The right or interest may be one of the following:

- (1) A right conferred by statute of the United States or the Commonwealth.

- (2) An interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.
- (3) Another interest of such nature that participation of the petitioner may be in the public interest.

52 Pa. Code § 5.72(a).

7. MAPSA meets the eligibility standards set forth in 52 Pa. Code § 5.72(a). As an organization whose members include alternative generation suppliers licensed to do business in Pennsylvania, MAPSA has an interest that may be directly affected by this proceeding. MAPSA members operating or intending to operate within PECO's distribution territory must compete against PECO's provider of last resort ("POLR") service. In offering customers a "price to compare" against PECO's shopping credit, EGSs must recover the same RNR increase from their customers through the price to compare. If PECO's shopping credit does not include the RNR increase, but PECO is permitted to collect that increase in another manner, customers are no longer comparing like products. EGSs are disadvantaged because their prices appear to be that much higher than the EDC's prices. Accordingly, how the Commission permits recovery of this tax increase will have a direct impact on Mid-Atlantic Power Supply Association members' potential customer base and potential revenue.

8. MAPSA's interest in this proceeding is not adequately represented by existing participants, none of whom are believed to be suppliers or marketers of electric generation.

9. In addition, MAPSA may be bound by the action of the Commission in this proceeding. The Commission has the authority to direct how recovery of the RNR increase will be made. The Commission's actions will determine whether competitive suppliers are unharmed or competitively disadvantaged.

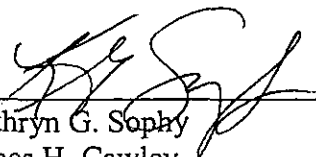
10. Finally, MAPSA's intervention is in the public interest. Through the Competition Act, the Pennsylvania Legislature declared retail electric generation competition to be in the public interest. MAPSA members, as competitive suppliers, have a direct interest in maintaining/supporting the competitive environment.

WHEREFORE, the Mid-Atlantic Power Supply Association respectfully request your Honor to grant this Petition to Intervene.

Respectfully Submitted,

RHOADS & SINON LLP

By:


Kathryn G. Sophy
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Dated: December 7, 2001

Attorneys for
Mid-Atlantic Power Supply Association

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CERTIFICATE OF SERVICE

DEC 07 2001

PUBLIC UTILITY COMMISSION
HARRISBURG, PA

I hereby certify that I have this day served a true and correct copy of the foregoing documents upon the following persons and in the manner indicated below:

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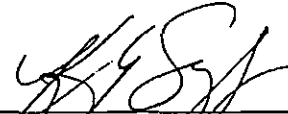
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Kathryn G. Sophy

Dated: December 7, 2001

DATE: December 12, 2001

SUBJECT: R-00016849C0001;R-00016850C0001;R-00016851C0001;R-00016852C0001
R-00016853C0001;R-00016854C0001;R-00016855C0001;R-00016856C0001
R-00016857C0001

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *J.J.M.*

R-00016849: Pike County Light & Power Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016850: PPL Electric Utilities Corporation's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016851: Pennsylvania Power Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016852: Metropolitan Edison Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016853: Pennsylvania Electric Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016854: Duquesne Light Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016855: UGI Utilities, Inc. – Electric Division's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016856: PECO Energy Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

R-00016857: West Penn Power Company's State Tax Adjustment Surcharge (STAS) Filing for Service Rendered on or after January 1, 2002

**DOCUMENT
FOLDER**

Attached are copies of Petitions to Intervene filed in connection with the above docketed proceedings by Mid-Atlantic Power Supply Association.

This matter is assigned to your Bureau for appropriate action.

Attachments

cc: OTS

was

Exelon Business Services Company
 Legal Department
 2301 Market Street/23-1
 P.O.Box 8699
 Philadelphia, PA 19101-8699

Telephone 215 841-5544
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Business Services
 Company

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December 14, 2001

James J. McNulty, Secretary
 Pennsylvania Public Utility Commission
 Keystone State Office Building
 400 North Street
 Harrisburg, PA 17210-3265

ORIGINAL
 Direct Dial 215 841 4941

DOCKETED
 DEC 20 2001
 DEC 14 2001
 PUBLIC UTILITY COMMISSION
 SECRETARY'S BUREAU

RE: Joint Settlement Agreement of PECO Energy Company's Notice and Petition for Recovery of the Revenue Neutral Reconciliation (RNR) Tax Effects of 2002, Docket Nos. R-00016856 and R-00016856C0001

Dear Secretary McNulty:

**DOCUMENT
 FOLDED**

PECO Energy Company ("PECO" or "the Company") is pleased to notify the Pennsylvania Public Utility Commission ("Commission") that all of the parties have reached a Joint Settlement Agreement to resolve all issues in the above-referenced proceedings¹ or do not oppose the joint settlement². This Joint Settlement Agreement is subject to the approval by the Commission of the following terms and conditions:

**Joint Settlement Agreement
 Terms and Conditions**

The terms and conditions of the Joint Settlement Agreement are as follows:

1. To recover the Company's increased tax obligations caused by the Year 2002 RNR calculation, PECO's October 29, 2001 RNR petition and rate filing, as revised by its December 4, 2001 filing, shall be granted and otherwise become effective in all respects except to the extent modified by paragraphs 2-11 below.
2. PECO shall be permitted to establish new rates that do not in the aggregate exceed the total effective rate as of January 1, 1997 for each individual rate class (the date for determining the total rate cap pursuant to Section 2804(4) of the Public Utility Code). Accordingly, effective with the first regularly scheduled billing cycle beginning after

¹ The undersigned has been authorized by all of the following parties to state that they fully support the Joint Settlement Agreement: the Office of Consumer Advocate; the Office of Small Business Advocate; the Philadelphia Area Industrial Energy Users Group; and the Mid-Atlantic Power Supply Association ("Sponsoring Parties").

² The undersigned has been authorized by the Office of Trial Staff ("OTS") to state that OTS does not oppose the Joint Settlement Agreement.

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January 1, 2002, PECO shall be permitted to adjust its rates to recover approximately \$40 million of its Year 2002 RNR related tax obligations ("Currently Recoverable Amount").

3. Consistent with paragraph 2 above, generation-related RNR tax expense shall be recovered through a base rate adjustment to the Company's energy and capacity rates (i.e., as a shopping credit increase); all other RNR tax expense shall be recovered through the Company's State Tax Adjustment Surcharge (STAS) mechanism. RNR revenues shall be reconciled against actual RNR-related tax expense on a dollar-for-dollar, class specific basis.
4. PECO shall be permitted to defer commencement of rate recovery of all RNR-related tax expense in excess of the Currently Recoverable Amount ("The Regulatory Asset"). PECO also shall be permitted to accrue carrying charges on The Regulatory Asset (at the annual rate of 6%) until full recovery is accomplished in accordance with the rate adjustment set forth in paragraph 5 below.
5. Effective not later than the first regularly scheduled billing cycle beginning after January 1, 2003, PECO shall be permitted to establish new rates to recover The Regulatory Asset plus the carrying charges accrued in accordance with paragraph 4 above, on a dollar-for-dollar basis, through the Company's STAS mechanism. Such rates may become effective at an earlier date only upon mutual agreement of the parties and the issuance of an order approving such earlier effective date.
6. Rates designed pursuant to paragraph 5 above shall not be considered by the Commission as a relevant factor for determining whether any future ratemaking claim by the Company should be granted.
7. With the Commission's approval, Competitive Electric Generation Suppliers ("EGS") shall receive a one-time waiver of applicable Commission's regulations to allow EGSs to provide one rather than multiple customer notices related to any contractually permitted pricing changes associated with the 2002 RNR tax adjustment.
8. Within 10 days of the Commission's Order approving the terms and conditions of this Joint Settlement Agreement, the Company shall file compliance tariff sheets.
9. The proceeding at R-00016856C001 shall be marked closed.
10. The formal complaint of the Office of Consumer Advocate, docketed at R-00016856C001 shall be deemed satisfied.
11. The Joint Settlement Agreement is expressly conditioned on the Commission entering an order approving the settlement, without modification, not later than December 19, 2001.

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Except as specifically noted herein, the settlement is without prejudice to arguments that any party, including PECO, may present in connection with any rate filing by PECO to recover its 2003 RNR tax liability. Rejection or modification of this Joint Settlement Agreement shall not be construed to prejudice the arguments raised, or positions taken by any party with respect to the Company's October 29, 2001 RNR petition and rate filing, as revised on December 4, 2001.

**The Joint Settlement Agreement is just and reasonable
and otherwise in the public interest**

The Sponsoring Parties agree that the above settlement is just and reasonable, and otherwise in the public interest, for the following reasons:

1. The resulting rates will not exceed the total rate cap established by the Electric Generation Customer Choice and Competition Act on a rate class specific basis;
2. The resulting rates are pro-competitive in that the Company's generation shopping credit will increase to reflect the Year 2002 RNR-related tax increase in the Company's energy and capacity (generation) rates;
3. The resulting rates will allow the Company to recover in a timely manner known and measurable Year 2002 RNR-related tax expense; and
4. The settlement minimizes the cost of protracted litigation and regulatory uncertainty relative to the Year 2002 RNR adjustment.

December 14, 2001

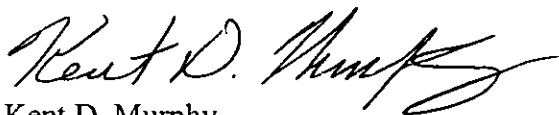
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Conclusion

Accordingly, the Company and the Sponsoring Parties respectfully request this Honorable Commission to

- 1) approve the Joint Settlement Agreement without modification;
- 2) find that the rates resulting from the Joint Settlement are just and reasonable, and otherwise lawful; and
- 3) permit the Company to implement the terms of this Joint Settlement Agreement.

Respectfully submitted,



Kent D. Murphy
Assistant General Counsel

Counsel for PECO Energy Company

KDM/kdm

cc: Chairman Glen R. Thomas
Vice-Chairman Robert K. Bloom
Commissioner Aaron Wilson, Jr.
Commissioner Terrance J. Fitzpatrick
Bob Wilson, FUS
Bob Rosenthal, FUS
Bob Bennett, FUS
Karen Moury, Esq., Law Bureau
C. B. Gluntz, FUS
All Parties