



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

November 26, 2003

Mr. Brian Crowe
Director, Rates and Regulatory Affairs
PECO Energy Company
2301 Market Street
S15-2
Philadelphia, PA 19103

DOCKETED
JAN 13 2004

A-116550

Re: Request for Access to 2002 Annual Report

DOCUMENT

Dear Mr. Crowe,

As we discussed via telephone yesterday, this letter is to advise that the Commission has received a request pursuant to Pennsylvania's Right-to-Know Law, 65 P.S. §§ 66.1, *et seq.*, as amended, to provide a copy of the PECO Energy Company (PECO) 2002 annual financial report. Under 52 Pa. code § 71.9, annual reports filed with the Commission are public information. However, PECO filed the 2002 annual report as "proprietary." Therefore, the Commission is notifying PECO of the request for access, in order that PECO may have the opportunity to file a petition for protective order, consistent with the provision of Section 71.9.

As we discussed, PECO may waive the request for proprietary treatment. Otherwise, PECO must file a petition for protective order under §5.423 stating the reasons for protecting the report from disclosure. If PECO voluntarily waives or fails to file a petition for protective order, the report will be released.

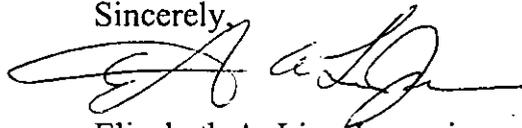
Please note that:

PECO HAS 15 DAYS FROM THE DATE OF THIS LETTER TO FILE A PETITION FOR PROTECTIVE ORDER FROM PUBLIC DISCLOSURE OF THE 2002 ANNUAL REPORT. IF NO PETITION IS FILED, THE REPORT WILL BE RELEASED.

If PECO files a petition, the party requesting access will have an opportunity to provide a written response. The Commission will then issue an order on the petition. If either party requests a hearing, the Commission will schedule a hearing and issue an order on the matter within 30 days of the date of the hearing.

If you have any questions regarding this matter you may contact me directly at
(717) 772-0696.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elizabeth A. Lion Januzzi', written in a cursive style.

Elizabeth A. Lion Januzzi
Assistant Counsel

cc: James J. McNulty, Secretary
Robert J. Longwell, Deputy Chief Counsel
File no. 2003.0354.00



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

November 26, 2003

Mr. Craig McCoy
The Philadelphia Inquirer
400 North Broad Street
P.O. Box 8263
Philadelphia, PA 19101

A-110550

Re: Fax Received November 25, 2003

DOCKETED
JAN 13 2004

Dear Mr. McCoy,

This letter acknowledges receipt by the Pennsylvania Public Utility Commission of your written request for information pursuant to Pennsylvania's Right-to-Know Law, 65 P.S. §§ 66.1, *et seq.*, as amended.

Your original request was for "any and all records relating to charitable donations made by PECO Energy Co. and/or Exelon Corp. as disclosed to the PUC. This request includes line item figures for donations reported to PUC by PECO/Exelon for the last 10 years." You have subsequently narrowed your request to obtain the 2002 annual financial report filed by PECO. (*See*, attached Fax dated November 26).

PECO asserts its annual financial report for 2002 as proprietary information. Therefore, your request for access will be considered after PECO has had an opportunity to file a petition for protective order under 52 Pa Code §5.43. If PECO does not so petition, the document will be released. If PECO provides support for proprietary treatment, you will have an opportunity to provide a written response and request a hearing on the issue. The Commission will conduct a hearing, if requested, and issue an order on the matter within 30 days of the date of the hearing.

If you have any questions regarding this matter you may contact me directly at (717) 772-0696.

Sincerely,

Elizabeth A. Lion Januzzi
Assistant Counsel

cc: James J. McNulty, Secretary
Robert J. Longwell, Deputy Chief Counsel
File no. 2003.0354.00

DOCUMENT

The Philadelphia Inquirer

philly.com

Nov. 26, 2003

Craig R. McCoy
Staff writer
215-854-4821
FAX: 215-854-5900
cmccoy@phillynews.com

Elizabeth Lion Januzzi
Law Bureau
PUC
717-772-0696
FAX: 717-783-3458

Dear Ms. Januzzi,

Many thanks for your telephone calls and helpful advice.

As we discussed, I am formally requesting copies of the Peco "Electric annual report," for the year 2002.

I understand this was the only report marked "proprietary" submitted by utilities. Under the Pennsylvania right-to-know law, we would like a copy of it.

I note that 52 Pa. Code section 71.9 says, in part: "The financial reports are public documents. The reports will be maintained by the Secretary and will be available for public inspection. If a public utility requests proprietary treatment for information in the report, it shall be incumbent upon that utility to file a petition for a protective order"

Please call me if I can help in any way,

Sincerely,





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

IN REPLY PLEASE
REFER TO OUR FILE

April 6, 2007

MR BRIAN D CROWE
PECO ENERGY COMPANY ELECTRIC DIVISION
2301 MARKET ST
PHILADELPHIA PA 19101

DOCUMENT
FOLDER

A - 1105SD

Dear Mr. Crowe:

This letter is to notify each utility of the software and format concerning its 2007 Annual Depreciation Report (ADR). We have mailed this letter to all the utilities we believe are required to file 2007 ADRs. Due to organizational changes at the Commission, the ADRs should NOT be filed with the Office of Special Assistants, as stated at 52 Pa. Code §73.3(a). The 2007 ADRs should be submitted to James J. McNulty, Secretary, Public Utility Commission.

In 1996 the Commission implemented new regulations at 52 Pa. Code §73.1 through §73.9 titled Annual Depreciation Reports, Service Life Studies and Capital Investment Plans. These regulations require that a public utility providing electric service, gas service, or water service which has gross intrastate revenues in excess of \$20 million per year, except telecommunications interexchange carriers and gas and petroleum transportation pipeline companies, shall file an annual depreciation report. The regulations note that public utilities providing telephone service with over 50,000 access lines or which have gross intrastate operating revenues in excess of \$20 million per year shall also be required to file an annual depreciation report, [52 Pa. Code §73.3(a)]. The Commission staff is required to notify each utility of the software and format that will be acceptable prior to each filing of the depreciation reports [52 Pa. Code §73.4(b)].

If your company meets the criteria cited above, please submit your 2007 Annual Depreciation Report by employing the following:

Spreadsheets - Microsoft Excel XP.
Text - Microsoft Word XP.

The preferred electronic medium is the 3.5 in. Compact Disc.

Please note that 52 Pa. Code §73.4(1) requires "an executive summary of the annual depreciation report, including an explanation of depreciation methods used" and 52 Pa. Code §73.4(2) requires "a comparison with the prior year's annual depreciation report." In addition 52 Pa. Code §73.4(10) requires that "for utilities that do not include salvage in the depreciation rate, the utilities shall provide the calculation of the 5-year rolling average calculation of net salvage by function or account showing each year's experienced gross salvage and cost of removal, including a detailed explanation of any amounts excluded from the 5-year rolling average calculation of net salvage. Utilities using average or future net salvage in the depreciation calculation shall provide the average or future net salvage by depreciation rate

depreciation calculation shall provide the average or future net salvage by depreciation rate category or account.” Also, 52 Pa. Code §73.4(11) requires that “Additional information and schedules shall be submitted as requested by the Commission if unique procedures are used by a utility.”

Pa. Code §73.9(a) and §73.9(b) specify different time lines for treating ADR filings based on the specified parameters, therefore, please identify your filing as a §73.9(a) or §73.9(b) filing, with appropriate explanations, in your transmittal letter and executive summary.

In order to track your filings within the Commission, please identify your ADR filing as follows:

Annual Depreciation Report - M-“Utility Code” F2007ADR

To assist you in preparing your 2007 submission, Fixed Utility Services Staff have prepared the attached examples and suggestions.

Please note that we are requesting a three year comparison for the years 2004, 2005 and 2006. This should be easily accomplished by adding a third column to your 2006 ADR submission. If you have found the need to correct or change previously submitted data, please flag each occurrence and provide sufficient explanations.

As to the matter of electric and gas restructuring, please be advised that nothing in any of the Commission’s restructuring orders removed any reporting or accounting requirements of this Commission concerning ADR filings. If an Electric Distribution Company (EDC) or a Natural Gas Distribution Company (NGDC) continues to own distribution related assets, it is not relieved of the obligation to include this information in reports filed on June 30, 2007 for calendar year 2006, particularly in the absence of a partial waiver of 52 Pa. Code §73.4.

Please submit original and two (2) copies of the ADR to James J. McNulty, Secretary, Public Utility Commission.

If you have questions, please contact Nicholas Okoro at 717-772-0613 (Electric), John Matchik at 717-783-6163 (Gas), or David Shrader at 717-783-2505 (Water).

Sincerely,



Robert A. Rosenthal, Director
Bureau of Fixed Utility Services

Attachment

cc: J. McNulty, Secretary
P. Diskin, FUS
J. Carlson, FUS
E. Rodrock, FUS
J. Matchik, FUS
N. Okoro, FUS

D. Shrader, FUS
Office of Consumer Advocate
Office of Small Business Advocate
Office of Trial Staff

ALL UTILITIES

1. Supply a comprehensive executive summary of the depreciation methods utilized in the current 2007 Annual Depreciation Report and contrast with the 2006 and 2005 ADR methodologies. Also compare and contrast 2006 data with 2005 and 2004 data for each plant account and functional grouping.
2. In addition to the required account level detail, please supply functional group summaries as indicated in the attached industry specific examples. Please note that electric utilities should provide the required information for each power production unit as well as the power production functional grouping.
3. Supply a detailed explanation of the methodologies utilized to provide for net salvage. Also, explain how the methodology employed conforms to the Pennsylvania Public Utility Commission's policy on this matter. Explain all deviations from the Commission's established policies.
4. See Attachment 2 for an example of the required reporting information by power production unit and functional categories for electric utilities. Please note that these functional group reports are in addition to the required plant account calculations.
5. See Attachment 3 for an example of the required reporting information by functional categories for gas utilities. Please note that these functional group reports are in addition to the required plant account calculations.
6. See Attachment 4 for an example of the required reporting information by functional categories for water utilities. Please note that these functional group reports are in addition to the required plant account calculations.

2006 ANNUAL DEPRECIATION REPORT-ADR
 COMPARATIVE ANALYSIS OF ELECTRIC UTILITIES
 YEAR ENDING 12/31/05
 COMPANY NAME AND ADR NUMBER

	<u>2004</u>	2005	2006
Intangible /Non-Depreciable Plant			
Original Cost			
Book Accrued Depreciation			
Book Reserve % of O.C.			
Original Cost Depreciated			
Annual Depreciation Expense			
Annual % of O.C.			
Steam Production Plant			
Original Cost			
Book Accrued Depreciation			
Book Reserve % of O.C.			
Original Cost Depreciated			
Annual Depreciation Expense			
Annual % of O.C.			
Nuclear Production Plant			
Original Cost			
Book Accrued Depreciation			
Book Reserve % of O.C.			
Original Cost Depreciated			
Annual Depreciation Expense			
Annual % of O.C.			
Hydro Production Plant			
Original Cost			
Book Accrued Depreciation			
Book Reserve % of O.C.			
Original Cost Depreciated			
Annual Depreciation Expense			
Annual % of O.C.			
Other Production Plant			
Original Cost			
Book Accrued Depreciation			
Book Reserve % of O.C.			
Original Cost Depreciated			
Annual Depreciation Expense			
Annual % of O.C.			
Total Production Plant			
Original Cost			
Book Accrued Depreciation			
Book Reserve % of O.C.			
Original Cost Depreciated			
Annual Depreciation Expense			
Annual % of O.C.			

Transmission Plant

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

Distribution Plant

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

General Plant

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

Common Plant (Total)

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

Total Company

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

Steam Production Plants

2004

Unit Name

2005

2006

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

Nuclear Production Plants

2004

Unit Name

2005

2006

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

Hydro Production Plants

2004

Unit Name

2005

2006

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.

Other Production Plants

2004

Unit Name

2005

2006

Original Cost
Book Accrued Depreciation
Book Reserve % of O.C.
Original Cost Depreciated
Annual Depreciation Expense
Annual % of O.C.