

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**APPLICATION OF PECO ENERGY :
COMPANY, PURSUANT TO CHAPTERS :
11, 19, 21, 22 AND 28 OF THE PUBLIC :
UTILITY CODE, FOR APPROVAL :
OF (1) A PLAN OF CORPORATE :
RESTRUCTURING, INCLUDING THE : APPLICATION
CREATION OF A HOLDING COMPANY : DOCKET NO. A-110550F0147
AND (2) THE MERGER OF THE NEWLY :
FORMED HOLDING COMPANY AND :
UNICOM CORPORATION :**

JOINT PETITION FOR SETTLEMENT

March 23, 2000

•••

E. Environmental Provisions

•••

39. Photovoltaic Project.

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

- 2001 - 100 Units
- 2002 - 100 Units
- 2003 - 125 Units
- 2004 - 125 Units

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

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

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

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

•••

41. New Pennsylvania Wind Facilities.

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

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

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

42. Renewables Education.

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

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

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

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

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

•••

IV. PUBLIC INTEREST CONSIDERATIONS

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

•••

80. The Environment Will Benefit. The Settlement promotes the use of renewable energy sources through the funding of one of the largest investments in wind generation in the Eastern United States; educational outreach; the development and/or funding of a retail wind block program; the development of photovoltaic generation; expanded availability of Rate RS for renewable energy installations; and the acceleration of payments to the Sustainable Development Fund.

•••