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EXELON CORP
Form 8-K
April 03, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

April 2, 2002
(Date of earliest
event reported)

| Commission File Number ----- | Name of Registrant; State of Incorporation; Address of Principal Executive Offices; and Telephone Number ----- | IRS Emplo Identific ----- |
|------------------------------------|--|---------------------------------|
| 1-16169 | EXELON CORPORATION (a Pennsylvania corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-7398 | 23-299019 |
| 1-1839 | COMMONWEALTH EDISON COMPANY (an Illinois corporation) 10 South Dearborn Street - 37th Floor P.O. Box 805379 Chicago, Illinois 60680-5379 (312) 394-4321 | 36-093860 |

Item 5. Other Events

On April 2, 2002 Exelon Corporation and Commonwealth Edison Company issued the following press release.

EXELON LOGO

News Release

From: Exelon Corporation
Investor Relations
P.O. Box 805379
Chicago, IL 60680-5379

FOR IMMEDIATE RELEASE

April 2, 2002

Contact: Linda Byus, CFA
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ICC Sets Interim Residential Delivery Service Tariffs for ComEd

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CHICAGO - Yesterday, the Illinois Commerce Commission issued an interim order in Commonwealth Edison's Delivery Services Rate Case. ComEd is Exelon Corporation's regulated Illinois delivery company. The order sets new delivery rates for residential customers choosing a new supplier, beginning May 1, 2002. Traditional bundled rates - rates paid by residential customers that retain ComEd as their electricity supplier - are not affected by this Order and will remain frozen through 2004. The rates for business customers taking delivery services are not impacted by the Order. The potential revenue impact of the interim order is not material in 2002.

The interim order is based on a 2000 test year and approves a \$1.515 billion per year jurisdictional distribution revenue requirement and a \$3.59 billion distribution rate base. In addition, the interim order includes an 8.99% weighted average cost of capital with an 11.72% return on equity, incorporating an agreement that ComEd reached with major parties in the case.

The interim order approved the vast majority of costs ComEd requested and makes no findings of prudence disallowances. It acknowledges that ComEd and other parties have agreed to an audit of ComEd's test year expenditures. The purpose of the audit is to further analyze and establish the reasonableness of past investments and expenditures. ComEd believes that it has already provided sufficient evidence during the rate case proceeding to demonstrate the reasonableness of investments. ComEd will participate fully in the audit of these expenditures, and is confident that the results of the audit will show that its expenditures were appropriate and justified. ComEd's customers are enjoying proven, increased service reliability as a result of these investments, with both average interruption frequency and outage duration improvements on the order of 40% or more. The audit started in late March 2002 and is expected to take about six months. A final order is expected in April 2003, at which time non-residential delivery rates will also be revisited.

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This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein. The forward-looking statements herein include statements about future financial and operating results of Exelon. Economic, business, competitive and/or regulatory factors affecting Exelon's businesses generally could cause actual results to differ materially from those described herein. For a discussion of the factors that could cause actual results to differ materially, please see Exelon's filings with the Securities and Exchange Commission, particularly those discussed in "Management's

Page 2

Discussion and Analysis of Financial Condition and Results of Operations -- Outlook" in Exelon's 2001 Annual Report. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Exelon does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release.

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Exelon Corporation is one of the nation's largest electric utilities with approximately five million customers and more than \$15 billion in annual revenues. The company has one of the industry's largest portfolios of

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electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately five million customers in Illinois and Pennsylvania and gas to 425,000 customers in the Philadelphia area. The company also has holdings in such competitive businesses as energy, infrastructure services and energy services. Exelon is headquartered in Chicago and trades on the NYSE under the ticker EXC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXELON CORPORATION
COMMONWEALTH EDISON COMPANY

/S/ Ruth Ann M. Gillis

Ruth Ann M. Gillis
Senior Vice President and
Chief Financial Officer
Exelon Corporation

April 2, 2002