

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :

Application for authority to : 82-0010
issue and sell not to exceed :
\$200,000,000 principal amount :
of a new series of First :
Mortgage Bonds.

ORDER

By the Commission:

On January 7, 1982 and January 27, 1982, Commonwealth Edison Company ("Edison"), filed its verified petition and supplemental petition, respectively, with the Commission seeking authority and approval: (1) to enter into, execute and deliver a Supplemental Indenture (the "Supplemental Indenture"), with and to Continental Illinois National Bank and Trust Company of Chicago, es Trustee, and Donald W. Alfvn, or his successor by said Trustee appointed, as Co-Trustee, under Edison's Mortgage dated July 1, 1923, es heretofore emended and supplemented, (2) to issue and sell ~~either through a negotiated public offering or through competitive bidding~~, in the manner and for the purposes set forth in the petitions, not to exceed \$200,000,000 principal amount of Edison's First Mortgage Bonds, (the "Bonds"), (3) to enter into a purchase contract or underwriting agreement with the purchasers or underwriters of the Bonds, (4) to issue temporary Bonds if and to the extent that Edison's definitive Bonds shall not be available in time for initial issuance and delivery, (5) to apply the proceeds to the purposes set forth in the petitions, (6) to pay and amortize certain expenses of Edison in connection with the ~~authorization, issuance and sale of the Bonds~~, and (7) to undertake such other action as is appropriate, reasonable and proper to the accomplishment of the purposes set forth in the petition and in the supplemental petition. Such filing was made pursuant to Sections 8a and 21 of an Act entitled "An Act concerning public utilities," as emended (the "Illinois Public Utilities Act").

Pursuant to notice given as required by law and the rules and regulations of the Commission, the matter came on for hearing before a duly authorized Examiner of the Commission at its offices in Chicago, Illinois on February 1, 1982. Further hearings were held on February 3 and 4, 1982. At said hearings, Edison was represented by counsel and presented evidence in support of the petitions. A member of the Staff of the Commission's Accounts and Finance Section appeared and participated in the hearing and presented evidence. Petitions for leave to intervene were filed by the 49th Ward Utility Action Committee and David Orr, and the Governor's Office of Consumer Services. The Commission granted said petitions by separate action on January 27, 1982. Both intervening parties attended and participated in the hearing and the representatives of the Governor's Office of Consumer Services presented evidence. At the conclusion of the hearing on February 5, 1982, the record was marked "Heard and Taken."

A copy of Edison's Balance sheet es of November 30, 1981, was admitted in evidence es Exhibit F and the following data have been developed therefrom:

ASSETS AND OTHER DEBITS

(\$000 Omitted)

utility Plant:	
Plant and equipment, at original cost	\$ 12,970,211
Less: Accumulated provision for depreciation	2,501,691
Net Plant	\$ 10,468,520
Nuclear Fuel	199,756
Investments	354,361
Current Assets	1,084,594
Deferred Charges	38,467
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Total Assets and Other Debits	\$ 12,145,698

LIABILITIES AND OTHER CREDITS

(\$000 Omitted)

Common Stock Equity	\$ 3,286,378
Preferred Stock	1,100,348
Total Equity	\$ 4,386,726
Long-Term Debt	5,228,993
Capitalization	\$ 9,615,719
Notes Payable	489,870
Other Current Liabilities	707,326
Accumulated Deferred Income Taxes	1,036,910
Deferred Credits	295,873
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Total Liabilities and Other Credits	\$ 12,145,698

The authorized and outstanding securities of Edison, the conditions under which they are held and the fixed charges attached thereto were set forth in the Statement of Financial Condition as of November 30, 1981, submitted and received in evidence as Exhibit E.

Copies of several resolutions adopted by Edison's Board of Directors on January 25, 1982, granting, among other things, the officers of Edison authority to issue and sell the First Mortgage Bonds were submitted in evidence as Exhibit G.

The purpose, as that term is used in Section 21 of the Illinois Public Utilities Act, of the sale of the Bonds, after payment of certain expenses in connection therewith, is for the reimbursement of a portion of Edison's unreimbursed net expenditures prior to December 1, 1981, from income or from any other moneys in its treasury not directly or indirectly secured by or obtained from the issuance of any of Edison's securities outstanding or subscribed for at November 30, 1981, nor provided through deferral of taxes or investment tax credits, for the acquisition of property or for the construction, extension or improvement of or addition to its facilities net of retirements, and for the discharge or lawful refunding of its obligations, and not for maintenance of service, replacements, or substitutions. Such purpose is not in whole or in part reasonably chargeable to operating expenses or to income. The record shows that Edison, prior to December 1, 1981, had expended sums of not less than \$630,372,000 for such purposes. Such expenditures are more than sufficient to permit authorization, pursuant to the reimbursement provision of Section 21 of the Illinois Public Utilities Act, of the sale of the Bonds proposed herein, as well as the \$100,000,000 aggregate principal amount of bank loans and the 10,000,000 additional shares of common stock, authority for each of which has been granted by the Commission on January 27, 1982.

In the petition, as amended by the supplemental petition, Edison proposes and applies for authorization and approval of the

Commission to issue and sell **not** to exceed \$200,000,000 aggregate principal amount of the Bonds, **in** one or more series if through negotiations **with** a group of underwriters or, alternatively, **in** one **series** if through a competitive bidding. Edison represents that **retention** of flexibility with respect to the method of **offering** Bonds and with respect to **the** precise terms of the Bonds, within the limitations set forth below, will enable it to obtain the most advantageous terms **under prevailing** market conditions.

In the event that Edison determines to issue and sell the **Bonds through a** competitive bidding, Edison proposes and applies **for** the authority and approval of the Commission to issue and sell **not** to exceed \$200,000,000 aggregate principal amount of the Bonds in one series at a price to Edison and at an interest rate to be determined by competitive bidding. The price to Edison, exclusive of accrued interest to the date of **delivery** to be added to such price, will be not less than 98% nor more **than** 103% of **the** principal amount of the bonds. Edison, if it accepts any bid;proposes to accept the bid which provides the lowest annual cost of money to Edison, as determined by Edison by reference to a Table of Bond Yields specifically prepared for that purpose and to be referred to in a public invitation for bids to be used by Edison in inviting sealed bids for the purchase of the Bonds. In the event that only one bid is received, Edison proposes to accept such bid if, in its judgment, such price is reasonable and acceptable. The invitation for bids will be made by distribution of a pamphlet containing copies of the forms of "**Public Invitation for Bids**," "**Form of Bid**" and "**Form of Purchase Contract**," **in** substantially the same form Edison has used in connection **with** such biddings in the past, with such modifications as are necessary to reflect the specific terms established by Edison for **the** Bonds. Such pamphlet would be substantially in the form admitted in evidence as Exhibit A, which was used in connection with the invitation for bids for Edison's First Mortgage 14% Bonds, Series 41, approved by the Commission in Case No. **80-0814**. Upon acceptance of a bid, Edison proposes to enter into a contract for the sale of the Bonds in substantially the form of Purchase Contract contained in Exhibit A, with the modifications referred to above. The Bonds (except as otherwise required by the Supplemental Indenture) are expected to be dated March 1, 1982, the day from which **the** series will initially bear interest (the "**Bond issue date**"), and will mature not earlier than the 2nd nor later than the 30th anniversary of the Bond issue date. The Bond issue date, as well as the maturity date of the Bonds, will be **determined** and designated by Edison prior to the date set for **competitive** bidding and will be set forth in the public invitation for bids, **which** will also set forth the time and date for the presentation of bids.

In the event that Edison determines to issue and sell the Bonds through negotiations with a group of underwriters, Edison proposes and applies for authority and approval of the Commission to **issue** and sell not to exceed \$200,000,000 aggregate principal amount of the Bonds in one or more series to certain underwriters (none of which will be an "affiliated interest" of Edison under Section 8a of the Illinois Public Utilities Act) at a price or prices to Edison, exclusive of accrued interest to the date of delivery to **be added** to such price or prices, of not less than **98% nor more** than 103% of the **principal** amount of the Bonds. The **Bonds** will bear interest at a per annum interest rate or rates not exceeding 18%. The Bonds (except as otherwise required by the Supplemental Indenture) are expected to be dated March 1, 1982, the Bond issue **date**, and will mature not earlier than the 2nd nor later than the 30th anniversary date of the Bond issue date. If more than one series of Bonds is issued, each series may have a different maturity date. The price **or** prices to be paid to Edison for the Bonds, the per annum interest rate or

rates to be borne by the Bonds and the other terms and provisions thereof, including maturity date or dates, will be subject to market conditions and will be determined through negotiations with the underwriters. Edison applies for authority and approval of the Commission to enter into, execute and deliver an underwriting agreement setting forth the terms and conditions of the issuance and sale of the bonds, such underwriting agreement to be similar to those Edison has used in connection with such negotiated offerings in the past, with such modifications as are necessary to reflect the specific terms and provisions of the Bonds established through such negotiations within the limits set forth above. Such underwriting agreement would be substantially in the form admitted in evidence as Exhibit B, which was used in connection with the issuance and sale of Edison's First Mortgage 17-1/2% Bonds, Series 44, approved by the Commission in Case No. 81-0728. The underwriting agreement may vary in form, however, depending on the identity of the managing underwriter, which customarily chooses the form of underwriting agreement.

In connection with the issuance and sale of the Bonds, Edison proposes to enter into the Supplemental Indenture, in substantially the form admitted in evidence as Exhibit C, with and to Continental Illinois National Bank and Trust Company of Chicago, as Trustee, and Donald w. Alfvn or his successor by said Trustee appointed, as Co-Trustee. The Supplemental Indenture will create the series in which the Bonds, in one or more series, are to be issued and is expected to be dated March 1, 1982. Edison and Continental Illinois National Bank and Trust Company of Chicago have a director in common and, as such, are "affiliated interests" as that term is defined in Section 8a of the Illinois Public Utilities Act. Edison represents that this affiliation has had no effect on the subject matter of this proceeding. The Supplemental Indenture, the form of which, as submitted in evidence, provides for a single series of Bonds, will be appropriately completed by Edison to reflect the terms and provisions of the Bonds as established in negotiations or pursuant to acceptance of a bid, as the case may be. The Supplemental Indenture will provide for the issuance of the Bonds and all terms, provisions and conditions of the Bonds not already set forth in Edison's Mortgage. The per annum interest rate or rates of the Bonds, determined either through negotiation or competitive bidding as hereinabove stated, will be specified in their title and in the Supplemental Indenture. Interest on the Bonds will be payable semi-annually on the interest payment dates to be specified in the Supplemental Indenture. The first such interest payment date will be six months after the Bond issue date. Unless the Bonds are to be noncallable, their redemption price or prices, expressed as a percentage of the principal amount of the Bonds, exclusive of accrued interest, will be determined by Edison in a competitive bid offering, or through negotiations with underwriters in a negotiated offering. The redemption provisions relating to the Bonds, if applicable, will be set forth in the supplemental Indenture.

The Bonds are to be issued or issuable only in fully registered form, without coupons, in the denominations to be specified in the Supplemental Indenture and are to be in substantially the form set forth therein. Edison expects that the Bonds will be issued and delivered initially in definitive form. If and to the extent that such definitive bonds shall not be available in time for initial issuance and delivery, Edison applies for the consent and authority of the Commission to issue bonds in temporary form exchangeable for definitive bonds.

Edison proposes to file a special Report with the Commission after the issuance and sale of the Bonds setting forth the interest rate or rates of, and the price or prices to be paid to

Edison for, the Bonds and to attach to such Special Report a final Supplemental Indenture, a purchase contract or underwriting agreement, as the case may be, and a registration statement on Form S-16 with respect to the Bonds, as filed with the Securities and Exchange Commission.

Edison proposes to pay out of the gross proceeds of sale of the Bonds and to amortize, out of Edison's income over the life or lives of the Bonds, all expenses in connection with authorization, issuance and sale of the Bonds. Such expenses, authorization for the payment of which is requested herein, are not likely to exceed \$540,000.

Edison proposes to apply the proceeds of the sale of the Bonds to the purposes set forth hereinafter in Finding (8) of this Order. In Edison's judgment the carrying out of the transactions proposed in the petition and the supplemental petition will be in Edison's interest and in the public interest.

Staff presented a study (Staff Exhibits AF1 and AF2) to simulate the impact on the future revenue requirements of Edison of certain changes in Edison's capital structure. This testimony revealed that, because Edison may deduct interest but not dividend payments on its income tax returns, an increase in debt capital with a corresponding decrease in equity would theoretically tend to reduce Edison's revenue requirements, all other factors remaining unchanged. The Commission, as well as the Staff, realize, however, that a material change in Edison's capital structure would affect other important financial factors and that selection of the optimal capital structure for a given company requires a careful balancing of all of those factors. Staff's Exhibits AFL and AF2 tends to support Edison's decision to issue the Bonds at this time.

Staff presented further studies changing the assumptions of the initial study, resulting roughly in various results. Staff Exhibits AF3 through 10 tend to support a conclusion that a decision to issue equity may balance the interests of Edison and the ratepayer in a more equitable fashion than the decision to issue debt.

Two witnesses were presented by the Governor's Office of Consumer Services. The first testified and offered exhibits intended to show that significant changes in the total cost of Edison's nuclear generating stations will necessitate changes in the amount of working capital the Company must raise during the next five years. This witness disagreed with Edison on the escalation rate to be used as a financial planning parameter. The second witness, who had previously testified in 78-0646, the Commission investigation of Edison's construction program for the LaSalle, Byron and Braidwood plant, contended that the Commission should reexamine its decision on that matter and that the proposed issuance of bonds should be held up until such a reexamination is concluded. §

Considering Edison's immediate cash requirements and financing needs, evidence of which was introduced by Edison, the Commission does not consider this proceeding an appropriate occasion to attempt to examine again Edison's construction program or the wisdom of seeing it through to completion. The record clearly establishes that this issuance of \$200,000,000 of securities is necessary to enable Edison to meet its obligations and is for a proper purpose under Section 21. Because of obligations already incurred, this financing would be both necessary and proper even in the hypothetical circumstances that Edison were immediately to halt further construction of the six nuclear "nits."

Edison presented evidence that, based on an analysis of its cash flows, it will need to raise \$1.275 billion of capital through the issuance of securities in 1982. Of this amount, \$500 million will be required in the first quarter of the year. The Commission has recently authorized the issuance of \$100,000,000

of bank loans in Docket 82-0009 and the issuance of up to 10,000,000 shares of additional common stock in Docket 82-0008. The sale of the Bonds as proposed here would complete the package for the first quarter of the year. Edison's evidence showed that Edison has a long-range goal of strengthening its capital structure by reducing the proportion of capital represented by debt. Edison's evidence also establishes that the issuance of the Bonds as planned is an appropriate step at this time, considering the magnitude of Edison's financing requirements and conditions in the financial markets.

A review of the various sections of the Public Utility Act regarding the burdens of proof and standards to be met by the petitioning party in a financing matter is appropriate at this time.

Section 21 of the Act states, in part:

Subject to the provisions of this Act and of the order of the commission issued as provided in this Act, a public utility may issue stocks and stock certificates, and bonds, notes and other evidences of indebtedness payable at periods of more than 12 months after the date thereof for the following purposes and no others, namely: For the acquisition of property, or for the construction, extension or improvement of or addition to its facilities, or for the discharge or lawful refunding of its obligations; or for the reimbursement of moneys actually expended from income or from any other moneys in the treasury of the public utility not directly or indirectly secured by or obtained from the issue of stocks or stock certificates, or bonds, notes or other evidences of indebtedness of such public utility, for any of the above purposes except maintenance of service, replacements and substitutions in cases where the applicant shall have kept its accounts and vouchers for such expenditures in such manner as to enable the commission to ascertain the amount of moneys so expended and the purposes for which such expenditures were made, and the sources of the funds in the treasury of the public utility applied to such expenditures. However, such public utility, in addition to the other requirements of law, shall first have secured from the commission an order authorizing such issue and stating the amount thereof and the purpose or purposes to which the issue or the proceeds thereof are to be applied, and that in the opinion of the commission, the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the order, and that except as otherwise permitted in the order in the case of notes or other evidences of indebtedness, such purpose or purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. TO enable it to determine whether it will issue such order, the commission shall hold a hearing and may make such additional inquiry or investigation, and examine such witnesses, books, papers, accounts, documents and contracts and require the filing of such data as it may deem of assistance. The public utility may be required by the commission to disclose every interest of the directors of such public utility in any transaction under investigation. The commission shall have power to investigate all such transactions and to inquire into the good faith thereof, to examine books, papers, accounts, documents and contracts of public utilities,

construction or other companies or of firms or individuals with whom the public utility shall have had financial transactions, for the purpose of enabling it to verify any statements furnished, and to examine into **the** actual value of property acquired by or services rendered to such public utility. Before issuing its order, the commission, when it is deemed necessary by the commission, shall make an adequate physical valuation of all property of the public utility, but a valuation already made under proper public supervision may be adopted, either in whole or in part, at the discretion of the commission; and shall also examine all previously **authorized** or outstanding securities of the public utility, and fixed charges attached thereto. A statement of the results of such physical valuation, and a statement of the character of all outstanding securities, together with the conditions under which they are held, shall be included in the order. The commission may require that such information **or** such part thereof as it thinks proper, shall appear upon the stock, stock certificate, bond, note or other evidence of indebtedness authorized by its order. The commission may by its order grant permission for the **issue** of such stock certificates, **or** bonds, notes or other evidences of indebtedness in the amount applied for, or in a lesser amount, or not at all, and may attach to the exercise of its permission such **condition or conditions** as it may deem reasonable and necessary. The **commission shall have the power to refuse its approval of applications to issue securities, in whole or in part, upon a finding that the issue of such securities would be contrary to public interest.** The commission may also require the public utility to compile for the information of its shareholders such facts in regard to its financial transactions, in such form as the commission may direct.

No public utility shall, without the consent of the commission, apply the issue of any stock **or** stock certificates, or bond, note or other evidence of indebtedness, or any part thereof, or any proceeds thereof, to any purpose not specified in the **commission's** order **or** to any purpose specified in the commission's order in excess of the amount authorized for such purpose; or issue or dispose of **the** same on any terms less favorable **than** those specified in such order, or a modification thereof. The commission shall have the power to **require** public utilities to account **for** the disposition of **the proceeds** of all sales of stocks and **stock certificates**, and bonds, notes and other **evidences** of indebtedness, in such form and detail as it may deem advisable, and to establish such rules and regulations as it may deem reasonable and necessary to insure the disposition of such proceeds for the purpose **or** purposes specified in its order.

A public utility may issue notes, for proper purposes, and not in violation of any provision of this Act or any other Act, payable at periods of not **more** than 12 months after the date of issuance of the same, without the consent of the commission; but no such note shall, in whole or in part, be renewed or be refunded from the proceeds of any other such note **or** evidence of indebtedness from time to time without the consent of the commission for an aggregate period of longer than two years. (Emphasis added)

Edison has specified in its testimony and exhibits the purposes for which the subject securities are to be issued. These purposes conform to Section 21. The Commission emphasizes the particular language underlined above, i.e., that the Commission may attach to the exercise of its permission such condition OR conditions as it may deem reasonable and necessary and, further, that the Commission has the power to refuse its approval, in whole or in part, on a finding that the issue of securities would be contrary to the public interest. Appendix A, attached hereto and made a part hereof, sets forth specific standards which will assist the Commission in determining optimal capital structure and optimal ratios of particular type of securities in such a structure, alternative proposals for the selection of the issuance of a particular type of security (equity, 'long term debt, short term debt, etc.), the effects of the proposed issuance on the current capital structure, the decision-making process which determined the Company's ultimate choice of security to be issued and an analysis of the present value of the revenue requirements under each of the alternate financings considered.

The Commission finds that Edison has sustained the burden of proof necessary to show that the proposed issuance of securities is reasonably required and that its proposal is not contrary to public interest. In the future, evidence pertaining to the specific standards set forth in Appendix A, together with other appropriate evidence, should be presented by Edison for the Commission's consideration in its determination that the proposed security issuance is reasonably required and would not be contrary to public interest.

Section 20 of the Public Utilities Act states, in part:

The power of public utilities to issue stocks, stock certificates, bonds, notes and other evidences of indebtedness and to create liens on their property is a special privilege, the right of supervision, regulation, restriction and control of which is and shall continue to be vested in the State, and such power shall be exercised by the Commission hereby created according to the provisions of this Act and under such rules and regulations as the Commission may prescribe.

In Section 8 of the Act, the General Assembly provides that the Commission "shall examine those public utilities and keep informed as to their general condition, their franchises, capitalization, rates and other charges . . .".

In order to properly fulfill its statutory mandate, the Commission must reject Edison's overly restrictive view of the proper scope of a Section 21 proceeding. Before the Commission can determine that an individual financing request is reasonable and not contrary to the public interest, it should be aware of how the financing fits into the utility's overall plan to achieve and maintain a capital structure which allows access to the capital markets when necessary at the lowest cost to the utility and the ratepayers. Therefore, under the legislative mandate of Sections 8, 20 and 21, and pursuant to authority granted in those Sections and Section 9 of the Act, the Commission is of the opinion Commonwealth Edison should be ordered and directed to provide in each future securities application, until further order of the Commission, the information described in Appendix A, attached to this Order, in addition to any other evidence offered in support of a proposed Section 21 application.

The Commission, having considered the entire record herein, having examined all previously authorized and outstanding securities of Edison and the fixed charges related thereto, and being fully advised in the premises, is of the opinion and finds that:

- (1) Edison, an Illinois corporation with its principal offices in Chicago, Illinois, is engaged in the business of furnishing electric utility service to the public in the State of Illinois, and, as such, is a public utility within the meaning of an Act entitled, "An Act concerning public utilities," as amended;
- (2) the Commission has jurisdiction of Edison and of the subject matter of this proceeding;
- (3) the petitions for leave to intervene of the 49th Ward Utility Action Committee and David Orr, and the Governor's Office of Consumer Service were granted by separate action on January 27, 1982;
- (4) a statement of the character of all of Edison's outstanding securities, together with the conditions under which they are held, was admitted in evidence in this matter as Exhibit E;
- (5) the evidence shows that **Edison** has invested funds in its property or for the discharge or lawful refunding of its obligations for which it is entitled to reimbursement in excess of **\$630,372,000** and, in view of the Commission's policy and practice of maintaining continuing surveillance of Edison's books and records, it is not deemed necessary for purposes of this proceeding to make a physical valuation of Edison's **property**;
- (6) approval of the Commission should be granted to Edison to enter into, execute and deliver a Supplemental Indenture in substantially the form introduced in evidence herein as Exhibit C, modified and completed to reflect the terms and provisions of the Bonds as established in negotiations or pursuant to the acceptance of a bid, as set forth above;
- (7) although Edison and Continental Illinois National Bank and Trust Company of Chicago are "affiliated interests" as defined in Section 8a of the Illinois **Public Utilities Act**, due to a common director, the use of Continental Illinois National Bank and Trust Company of Chicago as Trustee concerning said Supplemental Indenture is fair and reasonable;
- (8) issuance and sale by Edison of not to exceed **\$200,000,000** principal amount of the Bonds under Section 21 of the Illinois Public Utilities Act is reasonably required for the following purposes:
 - (a) for payment of Edison's expenses, not to exceed \$540,000, reasonably and necessarily incurred in **connection with** the proposed authorization, issuance and sale of the Bonds; and
 - (b) for the reimbursement of a portion of Edison's unreimbursed net expenditures prior to December 1, 1981, from income or from any other moneys in **Edison's** treasury not directly or indirectly secured by or obtained from the issue of stocks or stock certificates, or bonds, notes or other evidences of indebtedness of Edison that were outstanding or subscribed for at November 30, 1981, nor provided through deferral of income taxes nor through investment tax credits, shown by the record to be at least **\$630,372,000** for (i) the acquisition of property, or for the construction, extension or improvement of or addition to its facilities (net of retirements), and (ii) the discharge or lawful refunding of Edison's obligations;

- (9) such applications of said proceeds are reasonably required for the purposes stated and not for maintenance of service, replacements or substitutions, and such purposes are not in whole, or in part, reasonably chargeable to operating expenses or to income;
- (10) the effect on Edison's capitalization as of November 30, 1981, of the **proposed** issuance and sale of the **\$200,000,000 maximum** principal amount of Bonds! as herein requested, and adjusted to reflect the **issuance** of **10,000,000** additional shares of common stock and the **\$100,000,000** aggregate principal amount of bank loans previously authorized by the Commission may be summarized in thousands of dollars as follows:

components Of Capitalization	Present		Adjusted		
	Amount	%	Adjustment	Amount	%
Equity Preferred and Preference	\$ 3,286,378	32.5	\$190,000	\$ 3,476,378	32.8
Stock	1,100,348	10.9		1,100,348	
10.4 Long-Term Debt	5,228,993	51.8	300,000	5,528,993	52.2
Short-Term Debt	489,870	4.8	-	489,870	4.6
	<u>\$10,105,589</u>	<u>100.0</u>	<u>\$490,000</u>	<u>\$10,595,589</u>	<u>100.0</u>

- (11) subject to the terms and conditions provided in **this order**, the prayers of the petition, as emended by the supplemental petition, **for authority** to enter into, execute and deliver the Supplemental Indenture and the purchase contract or underwriting agreement, as the **case** may be, to issue and sell the Bonds, whether initially in definitive or temporary form or both, in one **or more** series, all as hereinabove set forth, to pay and amortize **the** reasonable expenses in connection therewith. to **apply** the **proceeds** from such sale **as hereinabove set forth and** to take **such** other action es is appropriate, reasonable and proper to accomplish the purposes set forth herein, may reasonably be granted and the public will be inconvenienced thereby.
- (12) Commonwealth Edison should be ordered and directed to provide in each future securities application, until further order of the Commission, the information described in Appendix A of this Order.

IT IS THEREFORE ORDERED that:

- A. Approval of the Illinois Commerce commission is hereby granted to Commonwealth Edison Company to enter into, execute and deliver a supplemental Indenture, as set forth in Finding (6) herein, to issue and sell not to exceed **\$200,000,000** principal amount of its First Mortgage Bonds (whether initially in definitive or temporary form or both) in one series through competitive bidding or in one or more series through negotiations **with** underwriters, to enter into, execute and deliver a purchase contract or underwriting agreement, as the case may be, to pay and amortize out of income certain expenses incurred in connection with the authorization, issuance and sale of the Bonds and to undertake such other action as is appropriate, reasonable and proper to the accomplishment of the purposes set forth herein, all in the manner hereinabove set forth and upon the following conditions:

- (1) if the Bonds are offered in a competitive bidding, Edison shall accept a bid for the Bonds, if any bid is accepted, which will result in the lowest annual cost of money to Edison in respect of the Bonds, or if only one bid is received, Edison may accept such bid provided the annual cost of money to Edison is in its judgment reasonable and acceptable;
- (2) if the Bonds are issued and sold through a negotiated offering, the Bonds shall not bear a per annum interest rate or rates in excess of 18% unless Edison secures from the Commission supplemental authorization for a rate or rates in excess thereof;
- (3) in either a competitive bid offering or a negotiated offering, the Bonds shall be sold by Edison at a price of not less than 98% nor more than 103% of the principal amount thereof, plus accrued interest from the Bond issue date to the date of delivery of the Bonds;
- (4) the proceeds from the sale of the Bonds shall be applied only to the purposes set forth in Finding (8) hereof;
- (5) Edison shall, before issuing any of the Bonds, cause the following to be placed on the face thereof:

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Identification No. 5275

- (6) without further order of the Commission, none of the Bonds shall be sold by Edison after June 30, 1982.
- B. As soon as practicable after the acceptance of a bid for the Bonds or after entering into a negotiated underwriting agreement for the sale of the Bonds, as the case may be, Edison shall furnish to the Commission a Special Report (in duplicate) with respect to the initial public offering price or prices of the Bonds, the price or prices to be paid to Edison therefor and the per annum interest rate or rates to be borne by the Bonds.
 - C. Edison shall file reports as required by General Order 129 of the Commission, as amended, relating to the issuance and disposition of the Bonds and the application of the proceeds thereof.
 - D. Edison is charged ten cents for every \$100 of the \$200,000,000 principal amount of the Bonds herein authorized to be issued, said charge amounting to \$200,000, and the same shall be paid to the Illinois Commerce Commission Public Utility Fund, for deposit in the State Treasury before any of the Bonds herein authorized shall be issued.
 - E. Approval of the Commission is hereby granted to Edison to do any and all things not contrary to law, or the rules and regulations of the Commission, incidental, necessary or appropriate to the performance of any and all acts specifically authorized in this order.

IT IS FURTHER ORDERED that Commonwealth Edison provide in each future securities application, until further order of the Commission, the information described in Appendix A of this Order

By Order of the Commission this 17th day of February, 1982.

(SIGNED) MICHAEL V. HASTEN

Chairman

(S E A L)

Commissioner **Rosenblum** concurs; a concurring opinion will be filed.