

Exhibit 12.3
Comparison of Auction Proposals: New Jersey BGS (2001, 2004) and Illinois CPP (2004)

<u>Category</u>	<u>SubCategory</u>	<u>New Jersey EDC Proposal, June 2001^[1]</u>	<u>New Jersey BPU Approved Auction Process, December 2001^[2]</u>
Auction	SDCA	Simultaneous Descending Clock Auction	Simultaneous Descending Clock Auction
	Contingency Plan	Purchase through PJM administered markets	Purchase through PJM administered markets
Tranche	Energy and Hourly Offering	Fixed Price product	Fixed Price product
	Tranch Definition	Fixed percentage share of load	Fixed percentage share of load
	Tranche Size	Approximately 100 MW	Approximately 100 MW
	Number of Tranches	178 tranches	175 tranches
	Products	Product Definition	All-requirements Energy
	Duration	One Year: August 1, 2002 through July 31, 2003	One Year: August 1, 2002 through July 31, 2003
	EDCs	PSE&G, GPUE, Conectiv, and RECO	PSE&G, GPUE, Conectiv, and RECO
	Auction Rules	Load Caps	EDC specifies load cap subject to board approval. Auction manager may revise load cap after the first round.
	Auction Volume	Auction Manager may reduce volume after first round using a confidential set of board-approved guidelines and may further reduce volume as the auction progresses.	Auction Manager may reduce volume after first round using a confidential set of board-approved guidelines and may further reduce volume as the auction progresses.
	Minimum and Maximum Starting Price	Auction Manager, EDCs and Board will agree on single minimum and single maximum starting price.	EDCs will set prices based on confidential methodology approved by the Board.
	Indicative Offer	Bidder specifies the number of tranches they are willing to serve at minimum and maximum price	Bidder specifies the number of tranches they are willing to serve at minimum and maximum price
	Starting Price	Auction Manager, EDCs and Board will agree on the starting price.	Each EDC sets own starting price; the Auction Manager may advise and the Board Advisor will be able to observe decision process.
	Price Decrement	Calculated according to a formula.	Calculated according to a formula. Auction manager has discretion to override decrement.
	Exit Prices	Bidder may specify exit price with withdrawal request	Bidder may specify exit price with withdrawal request
	Switching Priorities	Bidder may indicate switching priority with precedence to first bidder when necessary.	Bidder may indicate switching priority with precedence to first bidder when necessary.
	Associations	Disclosure of associations required.	Disclosure of associations required. Limits on bidding can be applied to associations.
	Credit Requirements	EDCs will support the Board by assessing creditworthiness as part of the bidder qualification process	EDCs will support the Board by assessing creditworthiness as part of the bidder qualification process
	Bid Bond Requirements	Required to post bond of \$1 million per tranche.	Required to post bond of \$1 million per tranche.
	Transparency	Information Before Auction	EDCs will provide historical customer switching and demand data.
Confidential Information			Confidential information includes individual bidder strategy and preferences.
Roles in Decision Process			Roles of EDCs, Board, Board Advisor, and Auction Manager in decision process clearly defined
Communication Protocol			
Approval	Criteria for Evaluation of Auction Success		Criteria and specific questions to assess the auction outcome ^[6]

Exhibit 12.3 (Continued)
Comparison of Auction Proposals: New Jersey BGS (2001, 2004) and Illinois CPP (2004)

<u>Category</u>	<u>SubCategory</u>	<u>New Jersey BPU Approved Auction Process, November 2004⁽³⁾</u>	<u>Commonwealth Edison Proposal, February, 2005⁽⁴⁾</u>	<u>Rebuttal Testimony⁽¹¹⁾ July 2005</u>
Auction	SDCA	Simultaneous Descending Clock Auction	Simultaneous Descending Clock Auction	
	Contingency Plan	Purchase through PJM administered markets	Purchase through PJM administered markets	
Tranche	Energy and Hourly Offering	Separate Auction for Fixed Price and Hourly products	Separate Auction for Fixed Price and Hourly products	
	Tranch Definition	Fixed percentage share of load	Fixed percentage share of load	
	Tranche Size	Approximately 100 MW	Approximately 100 MW	[A]
	Number of Tranches	105 tranches in Fixed Price (FP) auction; 115 in Commercial and Industrial Energy Pricing (CIEP) auction.	CPP-B 159 tranches, CPP-A 24 tranches, and CPP-H 48 tranches	[B]
Products	Product Definition	Small customers: All-requirements three-year fixed price product. Large customers: Single-year product with hourly pricing tied to regional market	Small customers: 5 all-requirements products of different durations. Large customers: Single-year all-requirements product, and contingent single-year product with hourly pricing tied to regional market	[B]
	Duration	Small customers: three years, June 1, 2005 to May 31, 2008; Large customers: one year June 1, 2005 to May 31, 2006.	Products vary in duration from 1 to 5 years for small customer products; and are 1 year for large customer products	[B]
	EDCs	Conectiv, JCP&L, PSE&G, and RECO	ComEd	[A]
Auction Rules	Load Caps	Load cap set equal to a weighted average 38.00% of full tranche target in FP auction and 33.91% in the CIEP auction. ⁽⁵⁾ Auction Manager may revise load caps after any round in response to a change in Auction Volume.	Load cap proposed to be set at 50.00% of full tranche target. ⁽¹⁰⁾ Auction Manager may revise load caps after any round in response to a change in Auction Volume.	[A]
	Auction Volume	Auction Manager may reduce volume after first round using a confidential set of board-approved guidelines and may further reduce volume as the auction progresses.	Auction Manager may reduce volume after first round using a confidential set of guidelines and may further reduce volume as the auction progresses.	[C]
	Minimum and Maximum Starting Price	EDCs will agree on the statewide minimum and maximum starting prices	Auction Manager and ComEd in consultation with ICC staff and Auction Advisor will establish minimum and maximum starting prices.	
	Indicative Offer	Bidder specifies the number of tranches they are willing to serve at minimum and maximum price in the fixed price auction or the number of tranches they are willing to serve at the maximum charge in the hourly product auction.	Bidder specifies the number of tranches they are willing to serve at minimum and maximum price	
	Starting Price	Each EDC will set its own starting price in consultation with the Auction Manager, Board Staff and the Board Consultant.	Auction Manager and ComEd, in consultation with ICC staff and Auction Advisor, will set starting price.	
	Price Decrement	Calculated according to a formula. Auction manager has discretion to override decrement.	Calculated according to a formula. Auction manager has discretion to override decrement.	[D]
	Exit Prices	Bidder must specify exit price when reducing eligibility.	Bidder must specify an exit price.	
	Switching Priorities	Bidder may indicate switching priority with precedence decided by random draw.	Bidder may indicate switching priority with precedence decided by random draw.	
	Associations	Disclosure of associations required. Limits on bidding can be applied to associations.	Disclosure of associations required. Limits on bidding can be applied to associations.	
	Credit Requirements	EDCs will support the Board by assessing creditworthiness as part of the bidder qualification process	In qualifying bidders ComEd will assess credit worthiness	
Transparency	Information Before Auction	EDCs will provide historical customer switching and demand data.	ComEd will provide historical customer switching and demand data.	
	Confidential Information	Confidential information includes individual bidder strategy and list of registered and qualified bidders.	Confidential information includes list of registered and qualified bidders and bidder participation status.	
	Roles in Decision Process	Roles of EDCs, Board, Board Advisor, and Auction Manager in decision process clearly defined. ⁽⁷⁾		[E]
	Communication Protocol	Formal protocol defined for communication between among the auction manager, the EDCs, the Board, Board Staff, auction monitor, prospective bidders, and the media. ⁽⁸⁾		[F]
Approval	Criteria for Evaluation of Auction Success	Criteria and specific questions to assess the auction outcome ⁽⁹⁾		[G]

Notes and Sources for Table in Exhibit 12.3

- [1] All of the information in the column comes from the following source unless otherwise noted: In the Matter of The Provision Of Basic Generation Service Pursuant To The Electric Discount And Energy Competition Act, Docket No. EX01050303, EO01100654, EO01100655, EO01100656 and EO01100657, Proposal for Auction of Basic Generation Service, June 29, 2001.
- [2] All of the information in the column comes from the following source unless otherwise noted: Public Service Electric & Gas Company Compliance Filing to Decision and Order, I/M/O The Provision of Basic Generation Service Pursuant To The Electric Discount And Competition Act, N.J.S.A. 48:3-49 et seq., State of New Jersey Board of Public Utilities Docket No. EX01050303, EO01100654, EO01100655, EO01100656 and EO01100657, Electric Distribution Company Compliance Filing, December 12, 2001.
- [3] All of the information in the column comes from the following source unless otherwise noted: In the Matter of The Provision Of Basic Generation Service For Year Three of the Post Transition Period, Docket No. EO04040288, Electric Distribution Company Compliance Filing, November 3, 2004.
- [4] All of the information in the column comes from the following source unless otherwise noted: CPP Auction Manual, Direct testimony of William P. McNeil, ComEd Ex. 3.4
- [5] Rebuttal Testimony of Dr. Chantale LaCasse, July 6, 2005, Ex. 11.3.
- [6] I/M/O The Provision of Basic Generation Service Pursuant To The Electric Discount And Competition Act, N.J.S.A. 48:3-49 et seq., State of New Jersey Board of Public Utilities Docket No. EX01050303, EO01100654, EO01100655, EO01100656 and EO01100657, Decision and Order, Attachment B, December 11, 2001.
- [7] In the Matter of The Provision Of Basic Generation Service For Year Three of the Post Transition Period, Docket No. EO04040288, Decision and Order, Attachment A, December 1, 2004.
- [8] Post-Auction Report on the New Jersey Utilities' Basic Generation Service Auction Processes: BGS Supply Period Beginning June 1, 2004, May 4, 2004, p. 14.
- [9] In the Matter of The Provision Of Basic Generation Service For Year Three of the Post Transition Period, Docket No. EO04040288, Decision and Order, Attachment B, December 1, 2004.
- [10] Direct Testimony of William P. McNeil, July 6, 2005, Ex. 3.0, p. 48.
- [11] This column provides references (below) where the CPP Auction proposal is further clarified or modified by rebuttal testimony.
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- [A] Rebuttal Testimony of William P. McNeil, July 6, 2005, Ex. 10.0, p. 4.
- [B] Rebuttal Testimony of Dr. Chantale LaCasse, July 6, 2005, Ex. 11.4, pp. 4-8 and Ex. 11.5.
- [C] Rebuttal Testimony of Dr. Chantale LaCasse, July 6, 2005, Ex. 11.3, pp. 39-41 and Section 6.A, pp. 79-80.
- [D] Rebuttal Testimony of Dr. Chantale LaCasse, July 6, 2005, Ex. 11.0, Section 6.A, pp. 86-88 and Ex. 11.4, pp. 41-42.
- [E] Rebuttal Testimony of Dr. Chantale LaCasse, July 6, 2005, Ex. 11.6.
- [F] Rebuttal Testimony of Dr. Chantale LaCasse, July 6, 2005, Ex. 11.0, Section 6.B, p. 100.
- [G] Rebuttal Testimony of William P. McNeil, Ex 10.0, July 6, 2005, Ex. 10.1 and 10.2.