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February 17, 2005

Via Federal Express

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
Harrisburg, PA 17105-3265

RE: Investigation into the Natural Gas Supply Market:
Report to the General Assembly on Competition in
Pennsylvania's Retail Natural Gas Supply Market
Docket Nos. I-00040103 and I-00040103F0002

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the Comments on behalf of the Office of Small business Advocate in the above-captioned matter.

If you have any questions or need further information, please do not hesitate to contact me directly at: 215-841-5316.

Sincerely,

A handwritten signature in cursive script that reads "Brian D. Crowe / sg".

Brian D. Crowe
Director Rates & Regulatory Affairs

BDC/adz

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Investigation into the Natural Gas Supply :
Market: Report to the General Assembly : Docket Nos. I-00040103
On Competition in Pennsylvania's Retail : I-00040103F0002
Natural Gas Supply Market :

CERTIFICATE OF SERVICE

I certify that I am serving copies of the foregoing document, on behalf of the Office of Small Business Advocate, by email and first class mail upon the persons addressed below:

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Dated: February 17, 2006

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Natural Gas Choice and
Competition Act:
Initial Stakeholders' Meeting**

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Docket No. I-00040103 F0002

**PECO ENERGY COMPANY'S RESPONSE AND NOTICE
OF INTENT TO PARTICIPATE IN NATURAL GAS
STAKEHOLDER WORKING GROUP**

I. INTRODUCTION

On October 6, 2005, the Pennsylvania Public Utility Commission ("PUC") issued its "Report to the General Assembly" ("Report"), regarding competition in Pennsylvania's retail natural gas supply services market. After review of the record, the Commission determined that there is not effective competition in the retail natural gas supply market on a statewide basis at this time. As required by the law, the Commission must therefore convene the Natural Gas Stakeholders ("Stakeholders") to explore avenues to increase competition.

By notice dated January 20, 2006, Commission Staff set the date for the first Stakeholders Working Group meeting on Thursday, March 30, 2006. The Staff also identified three subgroups to which it assigned twenty-two issues to be studied and discussed. Also, by this notice, Commission Staff requested volunteers to participate in the subgroups, and to provide feedback on the issues assigned.

II. NOTICE OF INTENT TO PARTICIPATE

PECO Energy ("PECO") welcomes the opportunity to participate in the Stakeholders' Working Group and offers the following comments on the structure of the working

group/subgroups and the identified issues. PECO Energy recommends that instead of starting with a predetermined number of subgroups, that the Staff allow the primary Working Group, already slated to meet at 9:00 a.m. on Thursday, March 30, 2006, to discuss what, if any, subgroups are needed and to provide a subgroup list to the Commission. This decision should be determined based on the preference of the group as a whole. Having three subgroups may be difficult from a staffing perspective for many companies and could prohibit full and robust participation from some segments of the industry.

Additionally, the primary Working Group should also be charged with discussing which issues are assigned to which subgroups, assuming subgroups are created and providing an issue list to the Commission. As noted in the Commission notice, there is overlap between many of the issues. The determination of which issues should be discussed together may actually determine the need for subgroups in the first instance. Accordingly, the creation of subgroups and issue assignment go hand-in-hand and should both be determined by the primary Working Group.

As requested in the notice, PECO designates the following as participants in the Working Group:

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III. PENDING COMMISSION, STATE and ADMINISTRATIVE AGENCY PROCEEDINGS

PECO is in the process of compiling a list of the adversarial proceeding information requested and will provide such information to the Commission and all parties on the service list no later than one week prior to the initial meeting.

IV. WAIVER AGREEMENT

Finally, since none of the participants have seen the waiver agreement they will be required to sign, PECO respectfully requests that the agreement be forwarded to all identified volunteers before the initial meeting, specifically by March 15, 2006 – the date of the second proposed notice. This will enable all involved to review the waiver agreement in advance of the required execution and to raise any questions concerning its content in advance with Commission staff.

In conclusion, PECO has identified its individual participants; seeks an advance copy of the waiver agreement for all interested parties on or before March 15, 2006; and requests that the

number of subgroups and the issues assigned to each be discussed and decided by the primary Working Group set to meet on March 30, 2006, at 9:00 a.m.

Respectfully submitted,

Handwritten signature of Brian D. Crowe in cursive script, followed by a horizontal line and a small flourish.

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