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June 2, 2010

VIA FEDERAL EXPRESS

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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SEP 13 2010

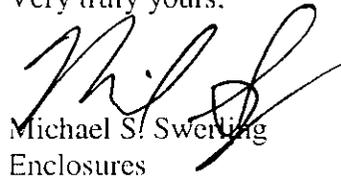
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Interim Guidelines Regarding Advance Notification By An Electric Generation
Supplier of Impending Changes Affecting Customer Service; Amendment re:
Supplier Contract Renewal/Change Notices – Dockets Nos. M-2010-2195286
and M-0001437**

Dear Secretary Chiavetta:

Enclosed are an original and five (5) copies of the *Comments of PECO Energy Company to the Commission's Tentative Order* in the above-captioned matter. An additional copy of this letter is also enclosed to be date-stamped and returned to PECO Energy.

Very truly yours,



Michael S. Swerling
Enclosures

cc: Office of Competitive Market Oversight (via electronic mail)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Interim Guidelines Regarding Advance :
Notification By An Electric Generation : **Docket Nos. M-2010-2195286 &**
Supplier Of Impending Changes : **M-0001437**
Affecting Customer Service; :
Amendment Re: Supplier Contract :
Renewal/Change Notices :

**COMMENTS OF PECO ENERGY COMPANY
TO THE COMMISSION'S TENTATIVE ORDER**

INTRODUCTION

On December 7, 2007, the Pennsylvania Public Utility Commission ("Commission") issued a Tentative Order, which set forth interim guidelines that modified 52 Pa. Code §54.5, regarding changes to customer service contracts by Electric Generation Suppliers ("EGS"). According to 52 Pa. Code §54.5(g), EGSs are required to send notices to alert customers about revisions to contract terms and/or approaching contract expiration dates. The interim guidelines explained exactly when EGSs were required to send these notices to customers.

On September 3, 2010, the Commission entered a second Tentative Order seeking comments on proposed amendments to the interim guidelines. The Commission directed that comments be filed on September 13, 2010. The proposed amendments provide more detail on the timing and content of customer contract renewal notices by EGSs. PECO Energy Company ("PECO") appreciates this opportunity to provide its comments to the Commission's 2010 Tentative Order.

COMMENTS

1. PECO supports using an estimated PTC, for the next quarter or as otherwise set forth in the EDC's default service plan, when an actual PTC is not available:

PECO generally supports the Commission's revisions to the interim guidelines regarding the PTC including:

- a. Placement of a clearly identified and estimated PTC on the renewal notice if an actual PTC is unavailable;
- b. An explanation that the PTC is subject to quarterly adjustments or as otherwise set forth in an EDC's default service plan; and
- c. Information about the frequency of the adjustments and where and when customers may obtain the current PTC.

PECO also supports the Commission's decision to provide estimated PTCs between quarters or as otherwise set forth in the EDC's default service plan. However, PECO requests assurance that Electric Distribution Companies ("EDC") will not be required to provide EGSs with estimates beyond the next quarter or beyond the timeframe set forth in the default service plan. In other word, EDCs should only be required to provide one estimated PTC for a customer's Initial Notice and one estimated PTC for a customer's Options Notice. The longer the period between the estimated and the actual PTC, the less accurate the estimate becomes and the more opportunity for confusion may result.

PECO further recommends that EDCs not be held responsible for the differences between the estimated and actual PTCs, especially based on over- and under-collection costs from previous periods.

2. PECO supports using month-to-month or new fixed price agreements when customers fail to opt-out as long as retroactive rate relief is unwarranted:

According to the Commission's revisions, EGSs can retain customers who fail to opt-out of their service agreements (fail to respond to renewal notices). PECO generally supports EGSs changing fixed term agreements into month-to-month agreements without cancellation penalties when a customer fails to respond to an EGS's renewal notice. PECO also generally supports initiating a new fixed term agreement, which allows customers to cancel anytime without incurring cancellation penalties, when a customer fails to respond to an EGS's renewal notice.

Although PECO supports this approach, it is concerned that such an approach may lead to customer complaints against EDCs. Customers who fail to opt-out and are dissatisfied with the rate charged by their suppliers, may file complaints against EDCs to recover the difference between the EGS and EDC rates.¹ Customer Choice also involves customer responsibility, and EDCs should not be required to provide retroactive relief to customers dissatisfied with their supplier's rates. A ban on cancellation fees plus the ability to cancel the new or renewed agreement provides adequate consideration for a failure to opt-out. Therefore, PECO requests that interim guideline II.(d) be updated to provide that EDCs are not required to provide retroactive rate relief to customers that fail to opt-out.

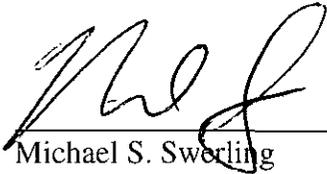
CONCLUSION

PECO respectfully requests that its comments to the Tentative Order be considered. All other comments not incorporated in the body of these comments are set forth in a redlined copy of Annex A attached as Exhibit A.

¹ Customers who failed to respond to renewal notices have recently filed Formal Customer Complaints against PECO expressing their dissatisfaction with the rate charged by suppliers and requesting that PECO make up the difference in rates between PECO and the EGS.

Respectfully submitted,

Dated: September 13, 2010



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APPENDIX A

Interim Guidelines Regarding Advance Notification by an Electric Generation Supplier of Impending Contractual Changes Affecting Customer Service

- I. The purpose of these interim guidelines is to set forth advance customer notification schedules for the following:
- (a) Approaching expiration of a fixed term agreement, or;
 - (c) Proposed changes in terms of service, including, but not limited to, an increase in generation charges or contract termination for reasons other than failure to pay for services rendered and/or EGS service abandonment.
- II. An electricity generation supplier, shall provide advance notification to its residential and small business customers of an approaching expiration of a fixed term agreement or any proposed changes in terms of service in accordance with the following guidelines:
- (a) An Initial Notice shall be provided to each affected customer fifty-two to ninety days prior to the expiration date of the fixed term agreement or the effective date of the proposed change in terms. The Initial Notice shall include the following:
 - (i) A general description of the proposed change in terms of service;
 - (ii) The date when such change is to be effective or when the fixed term agreement is to expire;
 - (iii) An explanation of why such a change is necessary;
 - (iv) A statement indicating when a follow-up Options Notice will be issued with details regarding the proposed change, and;
 - (v) A statement explaining that the Options Notice will discuss the customer's options with respect to such proposed change in terms of service or expiring fixed-term agreement.

(b) The Options Notice shall be provided to each affected customer at least forty-five days prior to the expiration date of the fixed term agreement or the effective date of the proposed change in terms. This notice shall include the following:

(i) A statement advising the consumer of the specific changes being proposed by the EGS and informing the customer of its options, including the customer's ability to select another EGS within a certain time period, accept the proposed changes, or return to the EDC for provider of last resort service;

(ii) Information regarding any new pricing or renewal pricing;

(iii) The EDC's or provider of last resort supplier's price to compare. If the price to compare is subject to change quarterly or otherwise as set forth in the EDC's default service plan, the notice should inform the customer of the frequency of the change and that the current price to compare can be obtained by contacting the EDC or accessing www.pa.powerswitch.com. If the EDC's price to compare for the proposed contract term is not yet established, an estimated price to compare should be provided and should be clearly labeled as an "estimated" price to compare. EDCs are only required to provide an estimated PTC for the next quarter or for the next deadline set forth in the EDC's default service plan. EDCs will not be held responsible for the difference between the estimated and actual PTC. The notice should also include an approximate date that the actual price to compare will be established, and a statement that the customer can contact the EDC or access www.papowerswitch.com to obtain this information when it is available. The EDC shall be the source of the estimated price to compare;

(iv) Any rules that might apply to a customer's return to provider of last resort service, including, for example, but not limited to, a mandatory twelve-month stay rule;

(v) Instructions on exercising its options, including selecting an alternative supplier;

(vi) A date certain for any action required by customers to exercise their available options, including what will occur if customers fails to respond to the notice as set forth in paragraph (d), and;

(vii) *Appropriate telephone numbers and internet addresses for the Office of Consumer Advocate and Commission's websites regarding ~~ElectriChoice~~ choice (<http://www.papowerswitch.com>).*

(c) In the instance where the proposed change in terms of service is beneficial to the consumer, such as in the case of a decrease in generation charges or the removal of a contract penalty provision, the EGS may, at its option, provide the customer with one advance notification forty-five to ninety days prior to the effective date of the proposed change.

(d) In the event that the customer does not respond to the renewal notice, a fixed term agreement may be converted to a month-to-month agreement, either at the same terms and conditions or at revised terms and conditions, as long as the agreement converts from a fixed term to a month-to-month agreement and contains no cancellation penalties. Alternatively, a fixed term agreement may be converted to another fixed term agreement as long as the new agreement includes a customer-initiated cancellation provision that allows the customer to cancel at any time for any reason and contains no cancellation penalties, in the event that the customer does not respond to the notice. EDCs will not be required to provide a rate refund covering the difference between the EGS rate and EDC rate during the disputed period

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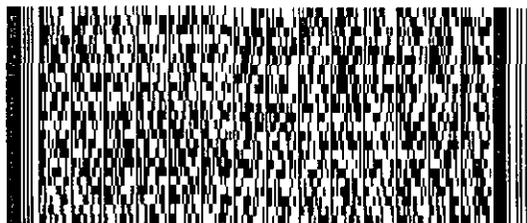
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