

**Legal Department**

Fax 215.568.3389  
www.exeloncorp.com

Business Services  
Company

Exelon Business Services Company  
2301 Market Street/S23-1  
P.O. Box 8699  
Philadelphia, PA 19101-8699

Direct Dial: 215 841 4220

October 31, 2012

**VIA ELECTRONIC FILING**

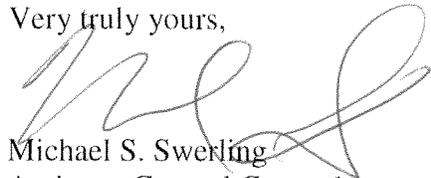
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: **Interim Guidelines for Natural Gas Distribution Company Eligible Customers  
Lists; Docket No. M-2012-2324075**

Dear Secretary Chiavetta:

Enclosed please find the Comments of PECO Energy Company in the above-referenced docket.

Very truly yours,



Michael S. Swerling  
Assistant General Counsel

Enclosures

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**INTERIM GUIDELINES FOR NATURAL :  
GAS DISTRIBUTION COMPANY : Docket No. M-2012-2324075  
ELIGIBLE CUSTOMER LISTS :**

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

**I. INTRODUCTION**

On September 27, 2012, the Pennsylvania Public Utility Commission (“Commission”) entered a Tentative Order in Docket No. M-2012-2324075. The Tentative Order proposed non-binding interim guidelines for the development of Eligible Customer Lists (“ECLs”) by natural gas distribution companies (“NGDCs”).<sup>1</sup>

The Tentative Order is the result of the Commission’s Opinion and Order in Docket No. P-2012-2291983, in which Dominion Retail, Inc., Interstate Gas Supply, Inc., and Shipley Choice, LLC (“Petitioners”) sought a declaratory order requiring NGDCs to provide natural gas suppliers (“NGSs”) with ECLs on a continuous basis and without fees.<sup>2</sup> The Commission denied the Petitioners’ request.<sup>3</sup> However, the Commission noted that it was “persuaded that retail

---

<sup>1</sup> Public utility companies create ECLs, which contain customer data used by alternative suppliers to advertise competitive offers.

<sup>2</sup> *Petition of Dominion Retail, Inc., Interstate Gas Supply, Inc., and Shipley Choice, LLC, for Declaratory Order*, Docket No. P-2012-2291983. (Opinion and Order entered on September 27, 2012).

<sup>3</sup> In support of their contention that NGDCs have a continuing responsibility to provide NGSs with ECLs, Petitioners relied upon: 1) the Commission’s Final Order in *Procedures Applicable To Natural Gas Distribution Companies And Natural Gas Suppliers During the Transition to Full Retail Choice*; Docket No. M-00991249F0009, (Final Order entered May 12, 2000); and 2) 52 Pa.Code § 62.78. With regard to Petitioners’ reliance on the Final Order, the Commission did not find any continuing obligation for NGDCs to compile and circulate customer lists. With regard to Petitioners’ reliance on § 62.78, the Commission determined that the regulation governs the circumstances under which customer account information may be released; however, there is nothing in the rule specifying when the NGDCs are to provide this information to NGSs or whether the provision of updated customer lists is to continue on an on-going basis. (Opinion and Order at 7-10.)

competition in the natural gas industry would be better served by guidance from the Commission with respect to the establishment and release of lists of eligible customers as was done last year with respect to the electric industry.” (Opinion and Order at 10.) Therefore, the proposed interim guidelines for gas ECLs parallel the ECL framework recently developed for the electric industry in Docket No. M-2010-2183412.<sup>4</sup>

In addition to incorporating elements from the electric ECL model into the proposed gas ECL model, the Tentative Order also provides the frequency for NGDC solicitations of their customers and updating their ECLs. The Tentative Order further holds that NGDCs may seek cost recovery for ECL implementation in their base rates.

Interested parties were invited to file comments within 30 days after publication of the Tentative Order in the *Pennsylvania Bulletin*. As such, comments were due no later than October 29, 2012, but the deadline for comments was extended as a result of the closure of state office buildings due to Hurricane Sandy.

PECO Energy Company (“PECO” or “the Company”) supports the Commission’s efforts to help develop a more robust retail natural gas supply market by adopting uniform guidelines for gas ECLs. PECO welcomes the opportunity to provide comments on the Tentative Order.

## II. COMMENTS

PECO supports the Commission’s approach to establish gas ECL guidelines for NGDCs and NGSs alike, under the guidance of the Commission’s 2010 Electric ECL Order, and agrees that “the general parameters of retail marketing natural gas to the public should be little different from those governing the retail marketing of electric power.” (Tentative Order at 3.) In an effort

---

<sup>4</sup> See *Interim Guidelines For Eligible Customer Lists*, Docket No. M-2010-2183412, Final Order on Reconsideration entered November 15, 2011 (“Electric ECL Order”).

to facilitate the coordination of uniform guidelines among the gas and electric industries, PECO submits the following comments for Commission consideration.

**A. ECLs for Combination Gas and Electric Utilities**

Combination gas and electric utilities should only have to perform single solicitation efforts applicable to their gas and electric customers. This approach will help reduce unnecessary costs related to performing two separate and distinct solicitations, the costs of which would be passed onto customers. This approach also will eliminate customer confusion that would result from receiving multiple communications for both gas and electric ECLs. For example, customers would be inclined not to respond to a second solicitation because they would think their initial response was all inclusive. Therefore, PECO requests that the Commission revise its guidelines so that combination utilities need only perform a single solicitation applicable to all their customers.

**B. Companywide Opt Out Solicitation**

According to the proposed gas guidelines, each NGDC that has not solicited its customers within twelve months prior to the effective date of the final order in this proceeding shall perform a companywide solicitation within ninety days thereafter. (Tentative Order at 4.) The Commission took a similar approach in its Electric ECL Order when it held that all electric distribution companies (“EDCs”) were required “to solicit their customers once in January 2012 to choose options for withholding their customer account and usage information, but [were] not require[d] [to make] any subsequent companywide solicitations.” (Electric ECL Order at 22.)

Because PECO complied with the Commission’s directive in the Electric ECL Order by soliciting its entire customer base between 2010 and 2011 (including all of its gas and electric

customers), it should not have to perform another companywide solicitation following the Commission's final order in this proceeding.<sup>5</sup> Indeed, as noted above, it would be costly and confusing for customers. Therefore, PECO requests an exemption from performing another companywide solicitation within 90 days after the effective date of the final order.

### **C. Frequency of Future Solicitations**

Similar to the Electric ECL Order, the Commission is proposing that after an initial companywide solicitation, future solicitations should occur periodically. PECO agrees with this approach. However, the Commission is also proposing that NGDCs subsequently perform companywide solicitations every three years. This guideline was not proposed, considered or adopted for the electric industry and, therefore, should not be adopted for the gas industry.

In the Electric ECL Order, the Commission stated:

In lieu of annual companywide solicitations, EDCs shall actively notify customers of their withholding options through each new customer's welcome package and through periodic announcements in customer bill inserts, e-mail, or a separate announcement included in the customer's paper bill or electronic notification, if available. The welcome package for new customers and periodic announcements for all customers shall also provide guidance on how to make the selection through company-provided form[s], e-mails, written letter[s], toll-free numbers, or the EDC website. (Electric ECL Order at 23).

Accordingly, PECO requests that the proposed guidelines be revised to include the above-quoted language from the Electric ECL Order so that future ECL solicitations are performed in a consistent manner.

---

<sup>5</sup> To accommodate all the new electric and gas customers that PECO has received since it completed its last companywide solicitation in 2011, PECO notified them of their withholding options through welcome packages. PECO also performed periodic announcements to all other customers instructing them how to change their ECL status.

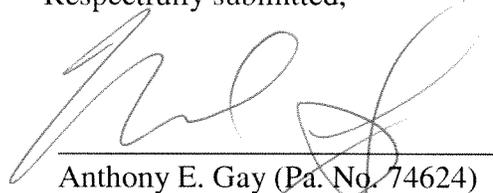
**D. Cost Recovery for Solicitations**

The Commission has recognized that the costs associated with the preparation, distribution and solicitation of ECLs are legitimate business expenses for which NGDCs should receive full cost recovery through base rates. PECO believes that the proposed method of cost recovery is reasonable and therefore supports this guideline as proposed.

**III. CONCLUSION**

PECO appreciates the opportunity to comment on this important matter and requests that the Commission favorably consider and adopt these comments.

Respectfully submitted,



Anthony E. Gay (Pa. No. 74624)  
Michael S. Swerling (Pa. No. 94748)  
Exelon Business Services Company  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101-8699  
Phone: 215.841.4635  
Fax: 215.568.3389  
michael.swerling@exeloncorp.com

October 31, 2012

*For PECO Energy Company*