



Exelon Business Services Company
Legal Department
2301 Market Street/S23-1
Philadelphia, PA 19103
215 568 3389 Fax
www.exeloncorp.com

Direct Dial: 215 841 4220

November 15, 2012

VIA ELECTRONIC FILING

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

Re: **Reply Comments of PECO Energy Company on the Commission's Tentative Order
M-2012-2324075**

Dear Secretary Chiavetta:

Enclosed please find a copy of PECO Energy Company's ("PECO's") Reply Comments in the above-referenced docket.

If you have any questions, feel free to contact me directly at (215) 841-4220.

Very truly yours,

A handwritten signature in black ink, appearing to read "MSW", is written over the typed name and title.

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 :**

**REPLY 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”).¹ In addition to incorporating elements from the electric ECL model² into the proposed gas ECL model, the Tentative Order also proposed a frequency for ECL solicitations and updates. The Tentative Order further held that NGDCs could seek cost recovery for ECL implementation in their base rates. Comments were due on October 31, 2012 and PECO Energy Company (“PECO” or “the Company”) filed comments on that date. Reply comments are due on November 15, 2012.³ PECO welcomes the opportunity to provide reply comments on the Tentative Order.

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

² See *Interim Guidelines For Eligible Customer Lists*, Docket No. M-2010-2183412, Final Order on Reconsideration entered November 15, 2011 (“Electric ECL Order”).

³ Comments and reply comments were originally due on October 29, 2012 and November 13, 2012, respectively. However, due to Hurricane Sandy, the Commission extended the due dates for comments and reply comments, accordingly.

II. REPLY COMMENTS

A. Customer Education

On October 26, 2012, the Office of Consumer Advocate (“OCA”) filed comments to the Tentative Order, which stressed that “NGDCs should provide initial and ongoing education to customers about the ECL in order to provide customers with a meaningful opportunity to determine whether to include their information on the ECL.” (OCA Comments at 4.)

PECO believes that its customer solicitation methods are reasonable, comport with the Commission’s expectations, and provide customers with a meaningful opportunity to determine whether to include their information on the ECL. PECO performed its most recent Company-wide opt-out solicitation in the form of a bill insert, which specifically contained educational information about ECLs and privacy choices. The insert explained that PECO could help make customers aware of competitive offers in the marketplace by providing natural gas suppliers (“NGSs”) with relevant account information. Customers were also provided with the following three choices:

1. Provide only my name, address and account number;
2. Do not provide any of my information; or
3. Provide my name, address, account number and energy usage information (No Action Required).

The bill insert contained all of the information that a customer would need to properly restrict private information and it was simple and easy to understand with a “restrict all, restrict none or restrict some” privacy selection option.

PECO also provides this bill insert (containing the same educational information and privacy choices) to customers on a periodic basis. Therefore, PECO believes that it adequately addresses the recommendations of the OCA and the Commission.

B. Additional Data Elements Proposed By Parties

The Comments submitted by Washington Gas Energy Services, Inc., and the National Energy Marketers Association (“the marketers”) requested that NGDCs include a few additional data elements on the gas ECL. Specifically, the marketers requested that the ECLs include Peak Demand CCF, Base Factor, Use Factor, and County data elements.

Peak Demand CCF:

According to the marketers’ comments, Peak Demand CCF is the maximum amount of gas that a customer could use during a day. PECO does not have this customer information and it cannot be easily derived. Operationally, PECO does not base its capacity assignments on peak customer demand; it allocates a customer’s pipeline capacity (Daily Contract Quantity (“DCQ”)) based on winter daily average usage. Also, according to PECO’s Gas Supplier Coordination Tariff, NGS deliveries cannot exceed the amount of capacity or capacity factor that PECO assigns to the NGS. Thus, when operating on PECO’s system, NGSs do not need the requested peak demand information. PECO also believes that this type of information is not a necessary data point for advertising competitive offers to customers. Therefore, PECO requests that Peak Demand CCF not be included in gas ECLs.

Base Factor:

According to the marketers' comments, Base Factor is the minimum amount of gas a customer uses on a daily basis. PECO does not have this customer information and it cannot be easily derived. While the marketers want to use this data to predict a customer's usage on a particular day, it is not necessary on PECO's system because PECO informs NGSs what amount of gas they need to deliver (the Aggregate Daily Demand Quantity ("ADDQ")) on a particular day. PECO also believes that this type of information is not a necessary data point for advertising competitive offers to customers. Therefore, PECO requests that Base Factor not be included in gas ECLs.

Use Factor:

According to the marketers' comments, Use Factor is the amount of gas a customer uses per heating degree day. PECO does not have this customer information and it is not easily derived. While the marketers want to use this data to predict a customer's usage on a particular heating degree day, it is not necessary on PECO's system because PECO informs NGSs what amount of gas they need to deliver (the ADDQ) on a particular day. PECO also believes that this type of information is not a necessary data point for advertising competitive offers to customers. Therefore, PECO requests that Use Factor not be included in gas ECLs.

County:

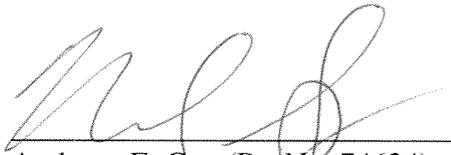
The marketers want NGDCs to include the counties in which customers reside on the ECL. PECO currently places customer zip codes on its ECL and believes that zip codes can help marketers to identify particular counties of interest for purposes of marketing their

competitive offers. Therefore, if the Commission is interested in including county information on the ECL, PECO requests that zip codes be deemed adequate to serve that purpose.

III. CONCLUSION

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

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For PECO Energy Company