



Exelon Business Services Company

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January 18, 2013

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

**RE: Investigation of Pennsylvania's Retail Electricity Market
PUC Docket No.: I-2011-2237952**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission are the Comments of PECO Energy Company on the Commission's Secretarial Letter in the above-referenced case. I have enclosed a Certificate of Service showing that a copy of said document was served on the interested parties. Thank you for your time and attention on this matter.

Very truly yours,

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

Michael S. Swerling
Counsel for PECO Energy Company

MSS/adz
Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

INVESTIGATION OF PENNSYLVANIA'S :
RETAIL ELECTRICITY MARKET :
 : **Docket No. I-2011-2237952**
 :
 :

**COMMENTS OF PECO ENERGY COMPANY
ON THE COMMISSION'S SECRETARIAL LETTER**

I. INTRODUCTION

On December 20, 2012, the Pennsylvania Public Utility Commission ("Commission") issued a Secretarial Letter in Docket No. I-2011-2237952, which stated:

The Commission advises EDCs not to seek cost recovery for the annual Commission-endorsed postcard through filing new consumer education plans, or extending the existing five-year consumer education plans.¹

Instead, EDCs were advised to seek recovery through other means, such as 1308(d) base-rate case proceedings.

The Secretarial Letter allows interested parties to file comments on this proposed change by January 18, 2013. Accordingly, PECO Energy Company ("PECO" or the "Company") is hereby filing its comments on the proposed change.

PECO understands that the Commission is directing that EDCs should not file annual Consumer Education Plans to recover these costs. However, PECO requests confirmation that EDCs may use their existing Consumer Education Surcharge mechanisms or tariff riders (which provide for full and current cost recovery) to recover the costs of their annual postcard mailings or any other Commission-mandated mailings.

¹ The annual postcard mailing requirement was adopted in the Commission's Retail Markets Investigation ("RMI") at Docket No. I-2011-2237952. Specifically, the Commission's Final Order in the *Investigation of Pennsylvania's Retail Electricity Market: Intermediate Work Plan*, which issued on March 2, 2012 in Docket No. I-2011-2237952, indicated that the Commission-endorsed postcard shall be re-established on an annual basis.

II. COMMENTS

EDCs should be allowed to continue using their existing Consumer Education Surcharges and tariff riders to recover appropriate consumer education costs, such as the annual Commission-endorsed postcard. PECO's surcharge was designed to provide full and current cost recovery of expenditures associated with the Company's Consumer Education Plan during the transition to a competitive energy market. PECO's plan included the annual Commission-endorsed postcard mailing, a tri-fold flyer and a letter with FAQs – all designed to educate customers on the benefits of shopping.² The plan was approved by the Commission's January 27, 2012 Order, which stated in relevant part:

We understand PECO's reasoning for requesting approval of the Company's 2012 Consumer Education Plan and the proposed budget of \$1.4 million in order to comply with the consumer education requirements set forth in the Secretarial Letter and the Tentative Order. *We also recognize the need of PECO and all affected EDCs to seek cost recovery in complying with the Secretarial Letter and Tentative Order.* We therefore approve PECO's request to recover expenditures associated with the implementation of the 2012 plan through the existing Consumer Education Surcharge contained in PECO's Electric Service Tariff. [Emphasis added].

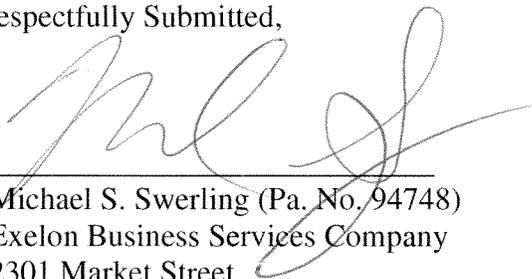
The Commission's Order recognized the need of EDCs to recover their costs associated with the postcard mailings, the tri-fold flyer and the letter with FAQs on a full and current basis. This need continues and this surcharge remains an appropriate method to obtain cost recovery. Therefore, PECO requests that the Commission specify that, in addition to 1308(d) proceedings, Consumer Education Surcharges and riders are appropriate cost recovery options for EDCs.

² See *Petition of PECO Energy Company for Expedited Approval of its 2012 Consumer Education Plan* at Docket No. P-2011-2279773 pp 2-3.

III. CONCLUSION

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

Respectfully Submitted,



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January 18, 2013

For PECO Energy Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

INVESTIGATION OF PENNSYLVANIA'S :
RETAIL ELECTRICITY MARKET : **DOCKET NO. I-2011-2237952**
:

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the Comments of PECO Energy Company on the Commission's Secretarial Letter on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL

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Dated: January 18, 2013