

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**TESTIMONY OF RICHARD G, WEBSTER, Jr.
ON BEHALF OF
PECO ENERGY COMPANY**

March 21, 2012 *En Banc* HEARING

Chairman Powelson, Vice Chairman Coleman, Commissioners Cawley, Gardner and Witmer and Chief Administrative Law Judge Rainey: My name is Dick Webster, and I am Vice President, Regulatory Policy and Strategy of PECO Energy Company. I appreciate the opportunity to comment on statewide consumer education issues.

PECO supports the Consumer Education Subgroup's efforts to develop a comprehensive statewide consumer education program to improve the Commonwealth's competitive electricity market. Pennsylvania's consumer education efforts have been a success story to date as evidenced by the tremendous start to retail competition. PECO supports the ideas being considered such as mass-media campaigns, as well as efforts to leverage earned media and public service channels.

Pennsylvania's Electric Distribution Companies ("EDC") have implemented consumer education programs over the past few years with cost recovery mechanisms in place to fund and recover the costs of elements of those programs. For example, the consumer education postcard recently mailed to all customers was included as an annual requirement in the Commission's March 2nd Final Order on intermediate steps, and the costs will be recovered through EDC cost recovery mechanisms.

As part of the Consumer Education Subgroup's discussions, we have been exploring approaches that would provide funding from EGSs for future statewide consumer education programs. Mechanisms such as assessments or voluntary contributions are being explored. An additional approach to funding these programs through EGSs is through a Purchase of Receivables ("POR") discount, a methodology that is successfully being utilized to collect the costs of implementing POR programs and that was recently adopted by the Commission in its March 2nd Final Order for recovery of the costs of customer referral programs. A POR approach is attractive because it is readily available, scalable and because it aligns program costs with the beneficiaries of the programs based on market share.

We look forward to continuing to work with stakeholders to develop cost effective consumer education programs that will improve Pennsylvania's retail electricity market.

I will be happy to answer any questions you may have. Thank you.