

October 25, 2010

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VIA FEDERAL EXPRESS

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition Of PECO Energy Company For Approval Of Its Act 129 Energy Efficiency And Conservation Plan And Expedited Approval Of Its Compact Fluorescent Lamp Program; Docket No. M-2009-2093215

Dear Secretary Chiavetta:

Enclosed for filing are an original and three copies of the **Reply Of PECO Energy Company To New Matter In The Answer Of The Office Of Small Business Advocate** in the above-captioned matter. Pursuant to 52 Pa. Code § 1.11(a)(2), the enclosed Reply shall be deemed filed on October 25, 2010, which is the date it was deposited with Federal Express as shown on the Federal Express delivery receipt.

As evidenced by the attached Certificate of Service, copies of the Reply are being served on all parties of record. Also enclosed is an additional copy of this letter and the Reply, which we request be date-stamped as evidence of filing and returned to us in the stamped, pre-addressed envelope provided.

Very truly yours,


Anthony E. Gay

c: Per Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF PECO ENERGY :
COMPANY FOR APPROVAL OF ITS :
ACT 129 ENERGY EFFICIENCY AND : DOCKET NO. M-2009-2093215
CONSERVATION PLAN AND :
EXPEDITED APPROVAL OF ITS :
COMPACT FLUORESCENT LAMP :
PROGRAM :

REPLY OF PECO ENERGY COMPANY TO NEW MATTER IN THE ANSWER
OF THE OFFICE OF SMALL BUSINESS ADVOCATE

Pursuant to the 52 Pa. Code §5.63(a), PECO Energy Company ("PECO" or the "Company") submits this Reply to the new matter presented in the Office of Small Business Advocate's ("OSBA") Answer to the Company's proposed revisions to its Energy Efficiency and Conservation Plan ("EE&C Plan" or "Plan"):

1. Paragraph 8. Denied. The Company is without knowledge of the OSBA request to have Mr. Knecht review PECO's proposed Plan revisions. PECO denies the OSBA's averment that there are deficiencies in the proposed revisions to the EE&C Plan. To the contrary, the Company's revisions are consistent with Act 129 of 2008 ("Act 129") and the Pennsylvania Public Utility Commission's ("Commission") Order approving the Plan. *See* Order entered February 17, 2010. In addition, the revisions were presented in a manner consistent with the instructions contained in the June 24, 2010 and September 1, 2010 Secretarial Letters issued by the Commission.

2. Paragraph 9. Admitted in part and denied in part. PECO admits that it has proposed additional measures for commercial, industrial, governmental and non-profit customers. PECO denies the OSBA's averment that the incentive payments associated with

these measures appear to be on the order of 20% to 50% of cost. The incentive payments are 20 to 50% of the *incremental* measure cost, not total measure cost, which is consistent with the incentive levels set for measures in PECO's approved EE&C Plan.

3. Paragraph 10. Denied. PECO denies the OSBA's averment that the proposed revisions may require small commercial and industrial customers to pay for measures that are not cost effective. PECO further denies that it must demonstrate that the new measures proposed in its Plan revisions are "the best alternatives." By way of further response, the Company has begun productive discussions with the OSBA in an attempt to resolve the concerns expressed in its Answer. The Company therefore does not believe that this matter requires assignment to the Office of Administrative Law Judge.

WHEREFORE, for the reasons set forth above and in the proposed revisions filed on September 15, 2010, PECO Energy Company respectfully requests that the Commission approve its proposed amendments to its EE&C Plan.

Respectfully submitted,

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Dated: October 25, 2010

Counsel for PECO Energy Company

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this date served true and correct copies of PECO Energy Company's Reply to the new matter presented in the Office of Small Business Advocate's ("OSBA") Answer to the Company's proposed revisions to its Energy Efficiency and Conservation Plan, upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

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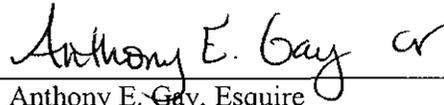
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Date October 25, 2010

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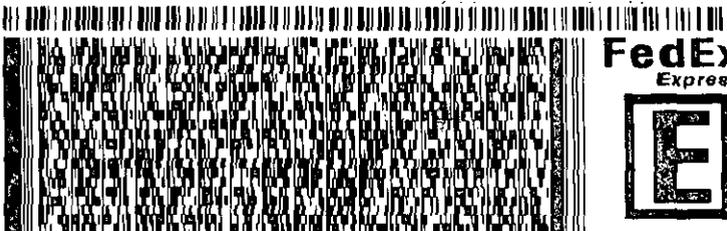
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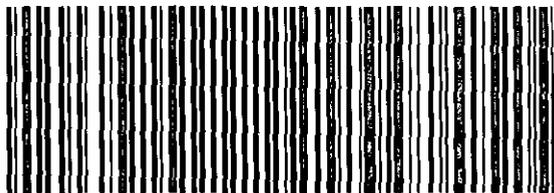


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