

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company for) Docket No. P-2012-2283641
Approval of Its Default Service Program)

**PREHEARING MEMORANDUM OF
NEXTERA ENERGY SERVICES PENNSYLVANIA, LLC,
AND NEXTERA ENERGY POWER MARKETING, LLC**

NextEra Energy Services Pennsylvania, LLC, and NextEra Energy Power Marketing, LLC (together “NextEra Entities”) hereby respectfully submit this prehearing memorandum pursuant to the Prehearing Order dated March 6, 2012. In support thereof, NextEra Entities state as follows:

1. Pursuant to Paragraph 2 of the Prehearing Memorandum, representing NextEra in this proceeding for purposes of the service list is:

Stephen L. Huntoon
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2. Pursuant to Paragraph 4 of the Prehearing Memorandum, the NextEra Entities state that they are units of NextEra Energy Resources, LLC (“NextEra”), a company that owns and operates over 16,000 megawatts of electric generating capacity in 23 states, of which more than 90 percent comes from clean and/or renewable resources. NextEra is the country’s largest generator of wind and solar energy, and within the Commonwealth of Pennsylvania owns and operates nearly 130 MW of wind generation and approximately 800 MW of natural gas generation. The NextEra Entities are,

respectively, active retail and wholesale suppliers of electricity products in the Commonwealth.

The NextEra Entities have not at this time identified a specific witness they expect to call. Without prejudice to identification of additional issues as this proceeding unfolds, at this point in the proceeding the NextEra Entities have identified two issues of concern:

Elimination of spot-price contracts for Large C&I (LCI) customers: NextEra opposes PECO's proposal to eliminate spot-price contracts for LCI customers as it would remove a valuable service being provided to LCI customers taking default service.

PECO lists the reason to eliminate the LCI product as to "Eliminate costs and administrative burden associated with buying spot-indexed full requirements products."¹

NextEra believes the removal of spot or indexed products is not consistent with a least cost approach, and deprives LCI customers of the certainty of a fixed rate component for a portion of their supply costs. NextEra recommends the Commission require PECO to include spot or indexed offerings for LCI customers, using the product design from the existing default service program as a guide.

Default service procurement load caps: NextEra opposes the proposed increase in load caps to 67% for the default service procurements. NextEra is concerned that given the required retail market enhancements and associated increase in migration risk that wholesale suppliers may be less likely to participate in the default procurements.

NextEra recommends lowering the load caps in order to ensure appropriate

¹ PECO's Proposed Default Service Program DSP II Highlights, January 12, 2012, EGS Stakeholder Webinar, p. 13.

competitiveness in the default procurement and, in turn, to ensure there is a true market price to compare for the residential opt-in auction.

3. At the prehearing conference on March 13, 2012, the NextEra Entities contemplate representation by Daniel Clearfield of the Eckert Seamans law firm, jointly with his representation of other parties to this proceeding.

Respectfully submitted,

/s/ Stephen L. Huntoon

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March 12, 2012

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the Presiding Judge and participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND FIRST CLASS MAIL

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March 12, 2012