

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

Petition of PECO Energy Company for Approval Of (1) A Process to Procure Alternative Energy Credits during the AEPS Banking Period and (2) A Section 1307 Surcharge and Tariff to Recover AEPS Costs

**PUBLIC MEETING
December 20, 2007
DEC-2007-C-0016*
Docket No. P-00072260**

MOTION OF COMMISSIONER KIM PIZZINGRILLI

On December 6, 2007, the Commission tentatively approved PECO Energy Company's proposal to acquire alternative energy credits through a competitive procurement process, bank those credits for later use, and to recover the associated costs through a Section 1307 surcharge. However, we made our approval contingent on PECO's willingness to extend the Commission's review of the Request for Proposals from one to three business days, and to provide specific additional information on bidder qualification and bid results. We also stated that cost-recovery was contingent upon our approval of the results of the procurement process, not merely the approval of PECO's procurement methodology. Parties were given seven days to comment on the Tentative Order. If no comments were filed, the Tentative Order would become final. If comments were filed, we would consider the matter at the Public Meeting of December 20, 2007.

PECO filed comments on December 13, 2007. PECO states that it will agree to a three business day review period. It will also agree to provide the additional information on bidders and bid results, though it notes that some information may need to be submitted under protective order as it is commercially sensitive.

PECO asks that the Tentative Order be clarified in regards to cost-recovery. As stated in the Tentative Order, cost-recovery requires two elements. First, that PECO followed a Commission approved procurement process. Second, that the Commission has determined that the results of the process are reasonable after reviewing the RFP Monitor's report. In its comment, PECO acknowledges that Commission approval of the RFP monitor's report on the results of this process is a necessary element of cost-recovery. However, PECO asks the Commission to expressly confirm that our approval of the proposed procurement process constitutes "the Commission approved process."

I find that the requested clarification is reasonable, removes regulatory uncertainty, and is in the public interest. Ordering Paragraphs 8, 10, and 11 of the Tentative Order should be amended consistent with the proposed modification of PECO.

THEREFORE, I MOVE THAT:

1. The Office of Special Assistants prepare a Final Opinion and Order consistent with this Motion.

December 20, 2007
Date

KIM PIZZINGRILLI, COMMISSIONER