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June 1, 2009

BY FED EX

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, PA 17105-3265

Re: Supplement No. 85 to Tariff Gas – PA PUC No. 2 effective June 1, 2009
Updating CAP discount factors to reflect the effects of
PGC No. 25, filed in compliance with Docket No. R-2008-2028394

Dear Secretary McNulty:

Pursuant to Commission Order at Docket No. R-2008-2028394 entered October 29, 2008, PECO Energy Company is herewith filing eight copies of Supplement No. 85 to Tariff Gas – PA PUC No. 2, bearing an effective date of June 1, 2009, in compliance with the above Order.

The specific purposes of the filing are as follows:

- (1) The new gas Customer Assistance Program (CAP) approved at Docket No. R-2008-2028394, effective June 1, 2009, requires that the discount factors be changed in the event the Company's PGC rate changes. Since the Company's PGC No. 25 rate changed effective June 1, 2009, it is necessary to adjust the CAP discount factors, which will become effective June 1, 2009.

Also enclosed is Attachment A that provides the calculation of the new CAP discount factors.

Please date-stamp the enclosed extra copy of this letter as proof of filing and return it in the envelope provided.

If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Webster", written over a horizontal line.

cc: Certificate of Service
Commissioner James H. Cawley, Chairman
Commissioner Tyrone J. Christy, Vice Chairman
Commissioner Wayne E. Gardner
Commissioner Kim Pizzingrilli
Commissioner Robert F. Powelson

PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company

:

DOCKET NO. R-2008-2028394

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in the manner indicated below:

VIA FEDEX

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Tanya J. McCloskey, Esquire
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Dated: June 1, 2009

PECO ENERGY COMPANY

GAS SERVICE TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 6.

Issued: June 1, 2009

Effective: June 1, 2009

ISSUED BY: D. P. O'BRIEN - President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

NOTICE.

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

CUSTOMER ASSISTANCE PROGRAM (CAP) RIDER (4th Revised Page No. 66)
Changes CAP Discount Factors reflecting PGC 25 rate change.

Customer Assistance Program (CAP) Rider

AVAILABILITY:

To payment-troubled customers who are currently served under or otherwise qualify for Rate GR (excluding multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for the rates contained in this rider and must demonstrate annual household gross income at or below 150% of the Federal Poverty guidelines. Based on the applicable level of income and other criteria, the following CAP Rate categories (A/B through E) apply:

CAP A/B: Customers with annual household gross incomes at or below 25% of the Federal poverty income guidelines will be eligible for the CAP A/B Rate which provides a nominal 89% discount on the total bill for natural gas service. Customers must be on budget billing, will be subject to a \$25 monthly bill minimum (\$10 for non-heating customers) and will not be eligible to obtain Competitive Natural Gas Supply. (D)

CAP C: Customers with annual household gross incomes at or greater than 26% but less than 51% of the Federal poverty income guidelines will be eligible for the CAP C Rate which provides a nominal 71% discount on the total bill for natural gas service. Customers must be on budget billing, will be subject to a \$25 monthly bill minimum (\$10 for non-heating customers) and will not be eligible to obtain Competitive Natural Gas Supply. (D)

CAP D: Customers with annual household gross incomes at or greater than 51% but less than 101% of the Federal poverty income guidelines will be eligible for the CAP D Rate which provides a nominal 43% on the total bill for natural gas service. Customers will be subject to a \$25 monthly bill minimum (\$10 for non-heating customers) and will not be eligible to obtain Competitive Natural Gas Supply. (D)

CAP E: Customers with annual household gross incomes from 101% up to and including 150% of the Federal poverty income guidelines will be eligible for the Customer Assistance Program CAP E Rate which provides a nominal 0% discount on the total bill for natural gas service. Customers will be subject to a \$25 monthly bill minimum (\$10 for non-heating customers) and will not be eligible to obtain Competitive Natural Gas Supply. (D)

DISCOUNT LEVELS: The Company shall be required to modify the level of discounts set forth above in order to maintain the "greater of calculated or minimum" annual billing set forth in PECO Exhibit SRX-3 at Docket No. R-2008-2028394 for each CAP subclass.

CERTIFICATION/VERIFICATION Prior to enrollment in the CAP Rider, and then again every two years, customers must verify, to PECO's satisfaction, that their household income level meets the "Availability" standards set forth in this Rider. Customers being considered for the CAP Rider will be required to:

- Provide information sufficient to demonstrate to PECO their household income level.
- Waive certain privacy rights to enable PECO to effectively conduct the above certification process.
- Apply for and assign to PECO at least one energy assistance grant from the Commonwealth.
- Participate in various energy education and conservation programs facilitated by PECO.

PECO may, at its sole discretion, supplement this verification process by using data from Commonwealth or federal government programs which demonstrate the income eligibility of its customers. Such data may come from a customer's participation in, or receipt of benefits from, the Low Income Home Energy Assistance Program, Aid to Families with Dependent Children, Food Stamps, Supplemental Security Income, and Medicaid. Information available from the Pa. Department of Revenue may also be used where appropriate to expedite the process.

MINIMUM CHARGE. The minimum charge per month will be \$25, or if the customer can demonstrate exclusive non-house heating use the minimum charge will be \$10.

STATE TAX ADJUSTMENT CLAUSE, COMMODITY CHARGE (CC"), GAS COST ADJUSTMENT CHARGE ("GCA") BALANCING SERVICE CHARGE ("BSC") AND UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RIDER.

ARREARAGE.

Customers who qualify and are placed on the CAP Rate will have their pre-program arrearage forgiven if they remain current on their CAP bill after six consecutive months. The development of any new arrearage during this period will delay forgiveness. Customers that develop any new arrearage will be offered a payment agreement.

(D) Denotes Decrease