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721 Butler Pike
Ambler, PA 19002
May 19, 2010

Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, PA 17105-3265

FILE

To Members of the Pennsylvania Public Utility Commission:

This letter is written to object to the requested electric rate increase, filed by PECO, with an effective date of May 30, 2010. The reasons are listed below:

• The 500 kWh Per Month Baseline:

Whenever PECO requests an electric rate increase, the impact of the increase, on residential customers, is based on 500 kWh per month usage. A report on Channel 6 Action News, indicated that the average residential customer uses about 1,000 kWh per month. What percentage of residential customers use 500 kWh per month?

To stipulate that the increase for residential users would be \$8.27 (or 10.1% more) could be misleading in that it projects a cost based on a usage (500 kWh) that might not apply to the majority of users. A residential user, using 1,000 kWh per month will be paying \$16.54 more per month, not \$8.27.

• The Summer Billing Rate

PECO has a higher summer billing rate which, for me, begins May 7th and ends September 4th. Again, this higher rate kicks in once household usage exceeds the 500 kWh per month baseline and, therefore, captures most users. Summer, by anyone's calendar, begins on June 21st and is three months duration, not four. Further, no consideration is given to weather conditions. Therefore, we can experience a chilly May (as we did in 2009, with temperatures averaging 66 degrees) but still pay higher summer rates. In fact, almost every day of this May of 2010, my own house heat has gone on periodically (and it's set at 64 degrees). So I am heating the house at the same time I pay a higher summer rate.

The request for a higher electric rate, starting in May of 2010, therefore, will increase the higher summer billing rate as well. Therefore, for four months (1/3 of the year), electric bills for many will be even higher than the projected 10.1% amount, (based on a 500 kWh baseline) because of the four month summer billing rate.

• Other Users

Why are residential users projected to pay an increase of 10.1% but the increase for commercial users is 3.2% and for industrial users is 2.8%? The monthly bill for a commercial customer using 10,000 kWh would increase by 3.2% and for an industrial customer using 400,000 kWh would increase to 2.8% but for a residential user it increases 10.1% as soon as the first 500 kWh are used, assuming this is the average monthly usage.

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Pennsylvania PUC

MAY 24 2010

Consumer Services
CAC Division

- Energy Conservation Programs

I support PECO's efforts to reduce energy consumption and note that I have decreased my own consumption by almost 50%, during some months of this past year. However, it should be noted that PECO is requiring its residential users (and perhaps other users) to pay for PECO's energy conservation programs and although it adds just a couple of dollars to the monthly bill, it is another increase--on top of a new requested increase which will be on top of a higher summer billing.

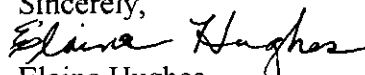
- Future Increases

PECO has indicated that electric rates will rise again in January of 2011 when caps are removed. If this increase is another 10% (or more)?, it comes on top of this newest request for a 10.1% increase (based on 500 kWh per month), on top of a higher summer billing rate for one-third of the year, and on top of the cost of energy conservation programs. Exactly how much does PECO expect their residential users to absorb in terms of rate increases, within just the next 12 months or so?

Additional Comments

- In the interests of conservation, I suggest that all air conditioners be set no lower than 78 degrees in commercial and industrial buildings. This will cost **nothing** to users who must pay for an energy conservation program now. I recognize that this requires state and/or national action but perhaps the clout of the PUC could move this forward. Supermarkets, movie theaters, and other commercial outlets set A/C thermostats so low, that a jacket is required to endure the cold air. I also resent the fact that some commercial outlets have their exterior doors wide-open while their air conditioners run and they have the ability to pass on their extra energy costs to others.
- I suggest that in computing costs of increases, electric rates should be based on average use of residential consumers (which might not be a 500 kWh usage per month) in order to get a more accurate picture of the impact.
- Is there any oversight of PECO's energy conservation program? Will it, too, increase in cost?
- PECO maintains that there has not been a rate increase in 10 years. Please be aware that many families have not had a wage increase in 10 years, either, or have lost their jobs during that time. Further, it is hard to understand why, if electricity usage is decreasing, rates continue to increase. At some point, PECO's shareholders might need to expect lower returns, instead of constantly impacting users with higher rates. When inflation is factored in, there has been long term stagnation or falling of American workers' wages over the past 10 years. This is not a sustainable situation.

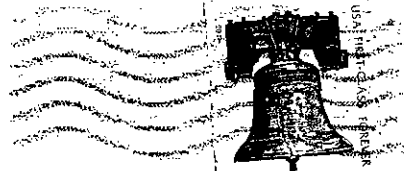
Sincerely,


Elaine Hughes

721 Butler Pike
Gambler, PA 19002

PHILADELPHIA PA 191

19 MAY 2010 10:00 AM



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