

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, :
et al.

v.

Docket No. R-2010-2161575

PECO Energy Company - Electric
Division

**STATEMENT IN SUPPORT OF DOMINION RETAIL, INC.
FOR JOINT PETITION FOR PARTIAL SETTLEMENT**

AND NOW, comes Dominion Retail, Inc. ("Dominion Retail") by and through ~~its~~ counsel in the above-captioned matter, Hawke **McKeon** & Sniscak LLP, and hereby offers this Statement in Support of the Joint Petition for Partial Settlement of Rate Investigation ("Joint Petition"). Dominion Retail notes that the Joint Petition resolves all the issues raised by all the parties in PECO Energy Company – Electric Division's ("PECO") rate filing, with one **exception** -- the OTS's insistence on the unbundling of uncollectible charges (also known as bad ~~debt~~ expense) related to commodity sales out of base rates and the recovery of that expense through a merchant function charge ("MFC"). The OTS position is one which the Commission rejected in its recent order approving PECO's electric purchase of receivables ("POR) program.¹

¹ *Petition to PECO Energy Company for Approval of its Revised Electric Purchase of Receivables Programs*; Docket No. P-2009-2143607 (Opinion and Order entered June 18, 2010, at 48).

Dominion Retail supports the Joint Petition because it resolves the issue of concern to it, in a manner that is consistent with its perspective at the outset of this case. While Dominion Retail did not have any specific concerns about PECO's initial filing, it was nonetheless pleased that PECO sought several modifications that should enhance competition, and with the fact that PECO did not seek any changes that would, in Dominion Retail's perspective, make competition more cumbersome or expensive.

Section B(6)

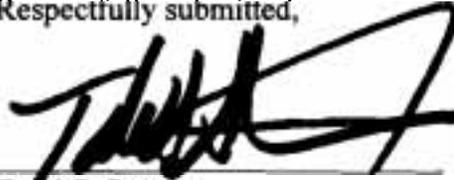
There are several particular provisions that should allow for more accurate price signals to customers by removing certain avoidable costs from base rates and collecting them only from default service customers. These are discussed in the Settlement at Section B, paragraph (6), and include the Company's proposed transmission service charge ("TSC"), generation supply working capital ("GSWC"), and transmission cost working capital ("TCWC") riders. These were proposed in PECO's initial filing and have not been opposed. Accordingly, they will be implemented as proposed according to the Joint Petition. These riders will remove certain costs associated with transmission charges and with the working capital requirements for purchasing generation supply from base rates and rather collect these amounts from non-shopping customers only. The net effect of these riders would be to further unbundle specific identifiable costs related solely to default service out-of-base rates and to collect them from default service customers. This change should further level the playing field and allow electric generation supplier ("EGS") pricing to be more accurately compared to default service rates.

While Dominion Retail is disappointed that the OTS chose to re-litigate an issue that the Commission has already decided, and which serves only to bring uncertainty to retail markets

and potentially to add costs, it is pleased that all other contested issues were resolved by the **Joint** Petition and it urges its approval.

WHEREFORE, for these reasons, Dominion Retail supports the Joint Petition for Partial Settlement and urges the Presiding Administrative Law Judges and the Commission to **approve** the Settlement as proposed without modification.

Respectfully submitted,



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Dated: August 26, 2010