

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 25, 2011

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

RE: Petition of PECO Energy Company for Approval of Its
Default Service Program and Rate Mitigation Plan
Docket No. P-2008-2062739

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer in the
above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached
Certificate of Service.

Sincerely,

A handwritten signature in cursive script that reads "Christy M. Appleby".

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824

Enclosures

cc: Certificate of Service
Hon. Marlane R. Chestnut/ALJ

*104436

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for	:	
Expedited Approval of its Default Service	:	Docket No. P-2008-2062739
Program and Rate Mitigation Plan	:	

ANSWER
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 5.61 of the regulations of the Public Utility Code, the Office of Consumer Advocate (OCA) hereby files this Answer in support of the Petition of PECO Energy Company (PECO or the Company) for Expedited Approval of Revisions to the Generation Supply Adjustment (GSA) Reconciliation Process for Default Service Procurement Class 1. The OCA submits the following in support of its Answer.

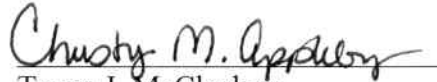
On April 5, 2011, PECO filed its Petition to amend the Settlement of its default service program at Docket No. P-2008-2062739. The amendment would allow the Company to credit or collect any GSA over- or under-recoveries and associated interest for residential customers on an annual basis instead of a quarterly basis. Under the current terms of the Default Service Settlement, the residential customer Generation Supply Adjustment (GSA) is updated on a quarterly basis with over-and under-recoveries credited or collected in the first quarter after the reconciliation is calculated. Petition at ¶ 4. The Petition avers that, due to variations in sales caused by such factors as customer shopping and weather seasonality, large swings are created in the GSA over-and under-recoveries from one quarter to the next. Id. at ¶ 5. The Company states

these large swings in over-and under-recoveries are not reflective of the market price of generation supply and generally off-set each other over the course of a 12-month period. Petition at ¶ 5. The Petition avers that using a twelve-month reconciliation period, instead of a quarterly reconciliation period, would smooth out the impact of quarterly sales variations due to customer shopping and weather seasonality, decrease the swings in the GSA and allow the GSA to more closely track the market prices. Id. at ¶ 6. PECO proposes to implement this change beginning July 1, 2011-June 30, 2012. Under this proposal, the over- and under-recoveries for each period from April 1-March 31 would be credited or collected over the following period of July 1-June 30. Id. at ¶ 7.

The OCA was a signatory party to the Settlement Agreement in the Petition for Expedited Approval of its Default Service Program and Rate Mitigation Plan at Docket No. P-2008-2062739 that PECO seeks to amend. The OCA supports PECO's proposed change for the residential rate schedule and agrees that it will smooth out the large quarterly swings in collection and credits. The OCA submits that these quarterly swings in reconciliation do not provide a benefit to either residential default service or shopping customers. Such quarter to quarter swings only serve to confuse customers. As PECO avers in its Petition, the annual reconciliation will also allow the residential GSA to track more closely the market prices.

WHEREFORE, the OCA respectfully requests that the Petition be approved.

Respectfully Submitted,



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DATE: April 25, 2011

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CERTIFICATE OF SERVICE

Re: Petition of PECO Energy Company for Approval of Its Default Service Program and Rate Mitigation Plan
Docket No. P-2008-2062739

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Answer, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 25th day of April, 2011.

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