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July 5, 2010

Via Electronic Filing and
Hand-Delivery

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Pennsylvania Public Utility Commission, *et al.* v. Petition of PECO Energy Company; Docket No. P-2008-2062739; **PREHEARING CONFERENCE MEMORANDUM OF DOMINION RETAIL, INC.**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are the original and three (3) copies of a Prehearing Conference Memorandum of Dominion Retail, Inc., in the above-captioned matter.

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

Very truly yours,

Todd S. Stewart
Counsel for Dominion Retail, Inc.

TSS/alw

Enclosures

cc: The Honorable Marlane R. Chestnut, ALJ

CERTIFICATE OF SERVICE

Docket No. P-2008-2062739

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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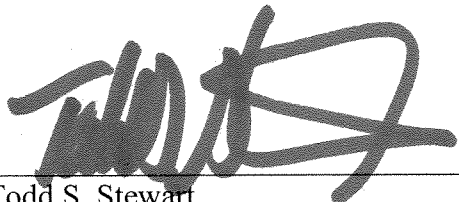
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Todd S. Stewart

Dated this 5th day of July 2011

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company : Docket No. P-2008-2062739
 :
 :

**PREHEARING CONFERENCE
MEMORANDUM OF
DOMINION RETAIL, INC.**

TO THE HONORABLE MARLANE R. CHESTNUT:

AND NOW, comes Dominion Retail, Inc. (“Dominion Retail”) by and through its counsel, Hawke McKeon & Sniscak LLP, and hereby submits this Prehearing Conference Memorandum in response to Notice of a Prehearing Conference to be held before Presiding Administrative Law Judge Marlane R. Chestnut (“ALJ”) on Wednesday, July 6, 2011 at 10 AM.

I. INTRODUCTION

1. On or about April 5, 2011 PECO Energy Company (“PECO”) filed a Petition seeking expedited approval of certain revisions to the Generation Supply Adjustment Reconciliation Process for Default Service Procurement Class One (“Petition”). In its Petition, PECO requested to modify the Generation Supply Adjustment (“GSA”) reconciliation process in a manner so that any reconciliation balance after the first quarter of 2011, would be recovered over a one year period rather than over one quarter as provided currently. The current methodology was approved as part of the settlement of PECO’s Default Service Plan (“DSP Plan”).¹

¹ *Petition of PECO Energy Company for Approval of its Default Service Program and Rate Litigation Plan*, Docket No. P-2008-2062739 (Opinion and Order entered June 2, 2009).

2. On April 25, 2011, Dominion Retail filed an Answer to PECO's Petition, opposing the relief requesting therein.

3. Also April 25, 2011, the Retail Energy Supply Association submitted an Answer in Opposition to PECO's Petition and Direct Energy Services, LLC filed likewise file an Answer in Opposition. The Office of Consumer Advocate filed an Answer to PECO's Petition on the same date.

4. A Hearing Notice was issued on June 27, 2011, assigning this matter to the Honorable Marlene R. Chestnut, as Presiding Administrative Law Judge, and scheduling a Prehearing Conference for July 6, 2011.

II. COUNSEL

5. Dominion Retail will be represented in the above-captioned matter by the following counsel:

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Please include above listed counsel on both electronic and paper copy service list and please serve him with copies of all documents in the above-captioned matter.

III. DISCOVERY

6. Dominion Retail has not yet commenced discovery, but expects to do so shortly. Dominion Retail will do so as efficiently as is practical. Dominion Retail will work with the other parties to develop a schedule for discovery and, to the extent necessary, will work with the

other parties to develop appropriate modifications to the Commission's discovery rules in order to ease the process of discovery in this proceeding.

IV. ISSUES

7. The issues in this case are: 1) whether the proposed modifications to the GSA reconciliation process are permitted under the Commission's Order, which approved PECO's DSP, considering the opposition of at least three (3) signatories to that settlement; and, 2) whether the proposed modifications are just, reasonable, or in the public interest?

8. Dominion Retail does not believe that PECO should be permitted to modify a key provision of a settlement without the unanimous approval of the original signers of that settlement, without re-opening the entire settlement. Moreover, Dominion Retail is of the believe that the proposed changes will harm competition, are not otherwise in the public interest and are not in keeping with the Commission's policy of having the costs of service provided to customers be recovered within the time frame in which those costs were incurred.

V. WITNESS

9. Dominion Retail intends to call Thomas J. Butler, Director of New Business for Dominion Retail as its witness in this matter. Mr. Butler's business address is 501 Martindale Street, Suite 400, Pittsburgh, Pennsylvania, 15212, and his telephone number is (412) 237-4765. Mr. Butler will address the issues related to the impact of PECO's proposed GSA change. Dominion Retail reserves the right to call additional or different witnesses as circumstances may warrant upon appropriate notification to the Presiding Administrative Law Judge and parties.

VI. PROCEDURAL SCHEDULE

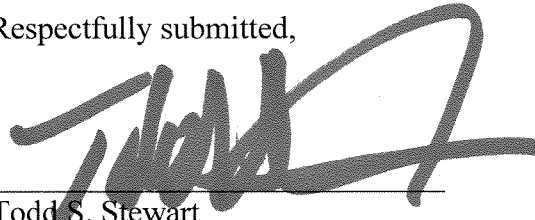
10. The Parties have not yet discussed a procedural schedule in this matter but Dominion Retail will work cooperatively with the other parties and with Your Honor to do develop a procedural schedule that accommodates the needs of all parties.

VII. SETTLEMENT

11. Dominion Retail has had several preliminary settlement discussions with PECO and will continue to engage in those discussions so long as they prove to be fruitful. Dominion Retail is willing to discuss settlement with all of the other parties in this proceeding as may be convenient or necessary.

WHEREFORE, Dominion Retail respectfully submits its Prehearing Conference Memorandum in this matter for Your Honor's consideration at the Prehearing Conference scheduled for Wednesday, July 6, 2011 at 10 AM.

Respectfully submitted,



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Dated: July 5, 2010