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RECEIVED

August 9, 2011

AUG 09 2011

VIA FEDERAL EXPRESS

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Re: Petition of PECO Energy Company for Expedited Approval of its Default Service Program and Rate Mitigation Plan - Petition of PECO Energy Company for Expedited Approval of Revisions to the Generation Supply Adjustment Reconciliation Process for Default Service Procurement Class 1
Docket No. P-2008-2062739

Dear Secretary Chiavetta:

Enclosed for filing please find an original and three (3) copies of the **Petition of PECO Energy Company For Leave To Withdraw** in the above-referenced matter. As evidenced by the attached Certificate of Service, a copy of the Petition has been served upon Administrative Law Judge Marlane R. Chestnut and all parties.

Also enclosed is a copy of the Petition which we request be date-stamped and returned to us in the enclosed envelope.

Sincerely,



Thomas P. Gadsden

Enclosures

c: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED

AUG 09 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF PECO ENERGY :
COMPANY FOR EXPEDITED :
APPROVAL OF ITS DEFAULT :
SERVICE PROGRAM AND RATE :
MITIGATION PLAN – PETITION FOR :
EXPEDITED APPROVAL OF : DOCKET NO. P-2008-2062739
REVISIONS TO THE GENERATION :
SUPPLY ADJUSTMENT :
RECONCILIATION PROCESS FOR :
DEFAULT SERVICE PROCUREMENT :
CLASS 1 :

PETITION OF PECO ENERGY COMPANY FOR LEAVE TO WITHDRAW

Pursuant to 52 Pa. Code § 5.94, PECO Energy Company (“PECO” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (the “Commission”) for leave to withdraw its April 5, 2011 Petition For Expedited Approval Of Revisions To The Generation Supply Adjustment Reconciliation Process For Default Service Procurement Class 1 (the “Petition for Revision”). As explained below, in light of the Commission’s ongoing investigation into the existing default service model, including the reconciliation of default service rates, the Company believes it is prudent to withdraw its reconciliation proposal and instead participate in and monitor the progress of the ongoing investigation. In support of this Petition, PECO represents as follows:

I. BACKGROUND

1. On April 5, 2011, PECO petitioned the Commission to amend the settlement of PECO’s default service program for the provision of electric generation service after December 31, 2010. In its Petition, PECO requested that the Commission permit the Company to credit or collect any Generation Supply Adjustment (“GSA”) over or under recoveries plus associated

interest for Procurement Class 1 (Residential) on an annual basis instead of quarterly. *See Petition of PECO Energy Company for Approval Of Its Default Service Program And Rate Mitigation Plan*, Docket No. P-2008-2062739 (Order entered June 2, 2009). PECO also requested approval of a proposed tariff supplement to implement the annual reconciliation proposal.

2. In its Petition, the Company explained that, in its view, crediting/collecting GSA over/under recoveries on an annual basis would smooth out quarterly fluctuations that are not directly related to market price conditions. The Company proposed to continue to file quarterly GSA rates for residential customers in order to reflect the projected market price of generation supply.

3. On April 25, 2011, Answers to PECO's Petition for Revision were filed by the Pennsylvania Office of Consumer Advocate ("OCA"), Direct Energy Services, LLC ("Direct Energy"), Dominion Retail, Inc. ("Dominion Retail") and the Retail Energy Supply Association ("RESA").

4. On June 30, 2011, the Commission's Office of Trial Staff ("OTS") filed a Notice of Appearance.

5. On July 6, 2011, a Prehearing Conference was held before Administrative Law Judge Marlane R. Chestnut and a schedule was established for the submission of testimony and the conduct of hearings. Specifically, a schedule was adopted whereby all testimony would be submitted in writing in advance of hearings. Evidentiary hearings were scheduled for August 23 and 24, 2011. On July 6, 2011, Judge Chestnut issued Petition for Revision Prehearing Order #1 adopting this schedule.

6. On July 11, 2011, a settlement conference was held to discuss the resolution of issues raised by other parties regarding PECO's annual reconciliation proposal.

7. On July 20, 2011, PECO filed the direct testimony of Alan B. Cohn (PECO St. No. 1) and accompanying exhibits.

8. On August 1, 2011, PECO notified the ALJ that: (1) it intended to withdraw the Petition for Revision; and (2) no party had expressed opposition to the withdrawal. PECO also requested that the procedural schedule for the case be suspended immediately. The ALJ suspended the procedural schedule for the proceeding.

II. REASONS FOR WITHDRAWAL

9. On April 29, 2011, several weeks after the Company filed the Petition for Revision, the Commission issued an Order initiating the Investigation of Pennsylvania's Retail Electricity Market at Docket No. I-2011-2237952 (the "Retail Market Investigation"). The Commission requested responses to questions concerning the existing default service model, among other things, and noted that a hearing had been scheduled for interested parties to provide additional information.

10. Together with Exelon Generation Company and Exelon Energy Company, PECO submitted written responses to the Commission's questions and participated in the hearing.

11. On July 28, 2011, the Commission issued an Order initiating the second phase of the Retail Market Investigation. The Commission identified areas for possible intermediate changes to the current default service model as well as areas for possible long-term changes to the general structure of default service. The "[p]ricing of default service, including term and

reconciliation” was identified as an area for possible long-term change. *See* July 28, 2011 Order, p. 12.

12. PECO intends to continue to participate in the second phase of the Retail Market Investigation and has determined that pursuing its individual annual reconciliation proposal at a separate docket is no longer prudent in light of the Commission’s directive to review the reconciliation of default service rates as part of the Retail Market Investigation.

III. NON-OPPOSITION BY ALL PARTIES

13. PECO has shared its proposal to request leave to withdraw the Petition for Revision with all other parties to this proceeding. No party has expressed opposition to the Company’s Petition for Leave to Withdraw.

WHEREFORE, in light of the ongoing Retail Market Investigation and the non-opposition of all other parties to this proceeding, PECO Energy Company respectfully requests that the Commission grant this Petition for Leave to Withdraw.

Respectfully submitted,



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August 9, 2011

Counsel for PECO Energy Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY	:	
COMPANY FOR EXPEDITED	:	
APPROVAL OF ITS DEFAULT	:	
SERVICE PROGRAM AND RATE	:	
MITIGATION PLAN – PETITION FOR	:	
EXPEDITED APPROVAL OF	:	Docket No. P-2008-2062739
REVISIONS TO THE GENERATION	:	
SUPPLY ADJUSTMENT	:	
RECONCILIATION PROCESS FOR	:	
DEFAULT SERVICE PROCUREMENT	:	
CLASS 1	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the **Petition of PECO Energy Company For Leave To Withdraw** in the above-captioned matter in the manner as set forth below, in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL AND FEDERAL EXPRESS

Honorable Marlane R. Chestnut
Administrative Law Judge
Pennsylvania Public Utility Commission
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RECEIVED

AUG 09 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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Dated: August 9, 2011



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