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August 22, 2012

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

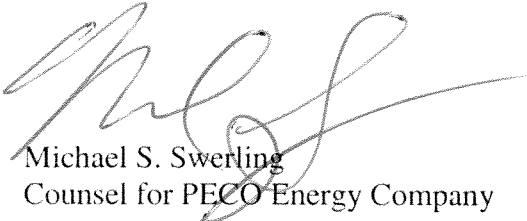
**Re: Generic Investigation of Gas-On-Gas Competition Issues**  
**PUC Docket No. P-2011-2277868**

Dear Ms. Chiavetta:

Attached for filing with the Commission is PECO Energy Company's Petition to Intervene, on the above referenced case.

I have enclosed a Certificate of Service showing that a copy of the above document was served on the interested parties. Thank you for your time and attention on this matter.

Very truly yours,



Michael S. Swerling  
Counsel for PECO Energy Company

MSS/adz  
Attachments

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**GENERIC INVESTIGATION OF** :  
**GAS-ON-GAS COMPETITION ISSUES** : **DOCKET NO. P-2011-2277868**

**PETITION TO INTERVENE OF**  
**PECO ENERGY COMPANY**

Pursuant to 52 Pa.Code § 5.71, PECO Energy Company (“PECO”) files this Petition to Intervene in the above-captioned matter for the following reasons.

1. PECO Energy Company (“PECO”) is a wholly owned subsidiary of Exelon and is a distribution company responsible for providing reliable electric and natural gas services to approximately 1.7 million customers in the Commonwealth of Pennsylvania. PECO furnishes natural gas service to over 468,000 retail customers in Delaware, Chester, Montgomery and Bucks Counties and a small portion of Lancaster County, Pennsylvania. PECO’s electric and natural gas rates are regulated by the Pennsylvania Public Utility Commission.

2. On December 8, 2011, the Bureau of Investigation and Enforcement (“BI&E”), the Office of Consumer Advocate (“OCA”), Office of Small Business Advocate (“OSBA”), Peoples TWP LLC (“TWP”) and Peoples Natural Gas Company (“Peoples”) (together “Joint Petitioners”) filed a petition with the Pennsylvania Public Utility Commission (“Commission”) to institute a generic investigative proceeding to address the practice of discounting distribution base rates by natural gas distribution companies (“NGDC”) with overlapping service territories, often referred to as “gas-on-gas” competition.

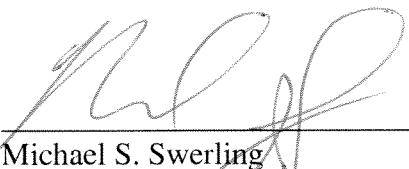
3. Gas-on-gas competition exists when other NGDCs in overlap areas (areas in which service territories of more than one NGDC coincide) offer lower distribution rates than the incumbent NGDC offers. As a result, incumbent NGDCs use discounted “flex rates” to compete against these lower rate offers and offer their own rate discounts to customers in these overlap areas.

4. On July 25, 2012, the Commission issued a Secretarial Letter assigning this matter to the Office of Administrative Law Judge for disposition and resolution. The Secretarial Letter also invited interested parties to file interventions in order to participate in these proceedings.

5. In its service territory, PECO has areas of partial overlap that extend into the service territories of other NGDCs.

6. PECO also has a Negotiated Gas Service rate (“NGS rate”), which provides PECO with the ability to negotiate against competitive rate offers (alternatives to Rates GC, L, TS-F, TS-I or CGS). Therefore, PECO’s Negotiated Gas Service rate could be impacted by the Commission’s generic investigative proceeding.

7. PECO has a direct interest in the issues raised in this proceeding because its NGS rate is unique to PECO. Therefore, PECO’s interest cannot be adequately represented by any other party in this proceeding because the impact that the Commission’s investigation could have on this rate is unique to PECO. As such, PECO respectfully requests that the Commission grant this Petition to Intervene.



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Dated: August 22, 2012



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**GENERIC INVESTIGATION OF** :  
**GAS-ON-GAS COMPETITION ISSUES** : **DOCKET NO. P-2011-2277868**

**CERTIFICATE OF SERVICE**

I hereby certify that I am this day serving copies of the foregoing document upon the persons and in the manner indicated below which service satisfies the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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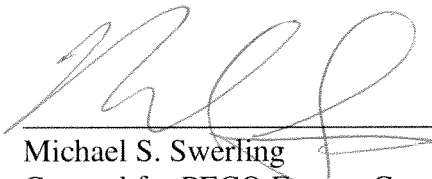
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