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November 19, 2012

Via E-Filing

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

**Re: PECO Energy Company Consumer Education Plan for 2013, Submitted in
Compliance with the May 10, 2007 Final Order at Docket Nos. M-00061957
and M-2008-2032274**

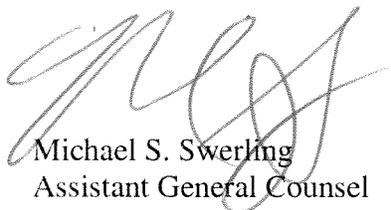
Dear Secretary Chiavetta:

Enclosed for filing please find the Petition of PECO Energy Company for Approval of its 2013 Consumer Education Plan ("2013 Plan").

PECO's initial Consumer Education Plan for 2008-2012 was filed with the Commission on December 20, 2007 at Docket No. M-00061957 and was approved as modified by the Commission on August 8, 2008 at Docket No. M-2008-2032274. The 2013 Plan is a supplement to the Consumer Education Plan for 2008-2012.

Copies have been served as indicated on the parties listed on the attached Certificate of Service.

Very truly yours,



Michael S. Swerling
Assistant General Counsel

MSS/adz
Enc.

Cc: Parties on the Attached Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY :
COMPANY FOR APPROVAL OF ITS : **DOCKET NO. P-2012-**
2013 CONSUMER EDUCATION PLAN :

PETITION OF PECO ENERGY COMPANY

I. INTRODUCTION

PECO Energy Company (“PECO” or “the Company”) hereby submits this petition for Approval of its 2013 Consumer Education Plan (the “Petition”). PECO’s 2013 Consumer Education Plan (the “2013 Plan”)¹ is a supplement to PECO’s Consumer Education Plan for 2008-2012,² which was approved as modified by the Pennsylvania Public Utility Commission (“Commission”) on August 8, 2008 in Docket No. M-2008-2032274. PECO filed a similar supplement (the “2012 Plan”) on December 22, 2011, which was approved by the Commission on January 27, 2012 (“2012 Plan Order”).³

PECO is filing its 2013 Plan consistent with the Commission’s directives regarding the mailing of certain consumer education materials in its *Investigation of Pennsylvania’s Retail Electric Market* at Docket No. I-2011-2237952 (“Retail Markets Investigation”). In filing this Petition, PECO is requesting that the Commission enter an order: (1) approving PECO’s 2013 Consumer Education Plan, and (2) granting PECO the right to recover expenditures associated with the implementation of the 2013 Plan through the existing Consumer Education Surcharge

¹ The 2013 Plan is attached hereto as “Attachment A”.

² PECO’s Consumer Education Plan for 2008-2012 is attached hereto as “Attachment B”.

³ *Petition of PECO Energy Company for Expedited Approval of its 2012 Consumer Education Plan*, Docket No. P-2011-2279773 (Order entered on January 27, 2012).

contained in the Company's current electric service tariff. As described below, PECO requests approval of this plan within sixty (60) days, or no later than January 24, 2013 to allow the Company to include the 2013 Plan projected costs in PECO's next Consumer Education Surcharge filing on February 1, 2013.

II. PECO'S 2013 CONSUMER EDUCATION PLAN

1. PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principle office in Philadelphia, Pennsylvania. PECO provides electric delivery service to approximately 1.6 million customers and natural gas delivery service to approximately 475,000 customers in Southeastern Pennsylvania.

2. On December 16, 2011, in its Retail Markets Investigation, the Commission entered a Tentative Order proposing changes to the existing retail market model in Pennsylvania.⁴ The intermediate work plan proposed in the Tentative Order included initiatives to enhance customer education regarding the benefits of switching to a competitive electric generation supplier ("EGS"). Specifically, the Commission proposed the following three coordinated consumer education mailings: (1) a Commission-endorsed postcard; (2) a tri-fold flyer highlighting the Commission's website for electric shopping, PAPowerSwitch.com, and the steps involved when shopping for an EGS; and (3) a letter from the EDC that encourages electric shopping. Tentative Order, pp. 5-7.

3. On March 1, 2012, the Commission issued its Order adopting the intermediate work plan proposed in the Tentative Order, which directed electric distribution companies ("EDCs") to proceed with the second and third consumer education mailings - the tri-fold flyer and the EDC letter, with frequently-asked-questions ("FAQs") - prior to the end of 2012

⁴ *Investigation of Pennsylvania's Retail Electric Market: Intermediate Work Plan*, Tentative Order, Docket No. I-2011-2237952 (Order entered December 16, 2011).

(“Intermediate Work Plan Order”).⁵ In addition, the Intermediate Work Plan Order (p. 10) established an annual requirement for the mailing of the Commission-endorsed postcard.

4. On June 21, 2012, the Commission issued an Order amending the Intermediate Work Plan Order with respect to the schedule for mailing additional consumer education materials (the “Revised Schedule Order”).⁶ This Order postponed the deadline for mailing the tri-fold flyer from May 2012 to November 2012, if possible, but in any event no later than and February 2013. Revised Schedule Order, p. 5. In addition, the Revised Schedule Order further postponed the mailing of the EDC letter and FAQs from October 2012 to no later than December 2013. *Id.*, p. 6.

5. As of February 24, 2012, PECO has mailed the Commission-endorsed postcard to all residential and small business customers (i.e., small commercial customers with a peak demand up to 100 kW) in its service territory and thus completed the first step of the consumer education effort recommended by the Commission in the Tentative Order. Pursuant to the Revised Schedule Order, PECO will file the Tri-fold flyer beginning November 26, 2012 and the EDC letter and FAQs by the end of December 2013.

6. Consistent with these Orders, PECO is filing its 2013 Plan, which provides PECO’s recommended communication strategy and the projected costs associated with implementation of the consumer education mailing requirements outlined in the Orders.

7. Under its proposed 2013 Plan, PECO will initiate one consumer education mailing. PECO expects to incur approximately \$300,000 to complete the second annual

⁵ *Investigation of Pennsylvania’s Retail Electric Market: Intermediate Work Plan*, Final Order, Docket No. I-2011-2237952, pp. 10-12 (Order entered March 2, 2012).

⁶ *Investigation of Pennsylvania’s Retail Electricity Market: Revised Schedule for Statewide Consumer Education Mailings*, Final Order, Docket No. I-2011-2237952 (Order entered on June 21, 2012).

Commission-endorsed postcard mailing, which is scheduled to commence and conclude by February 2013.⁷

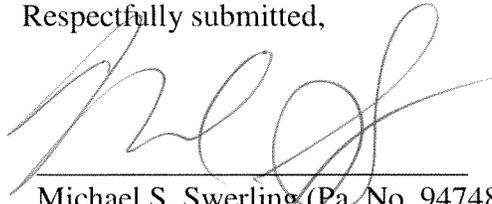
8. PECO requests that the Commission approve this Petition and the 2013 Plan no later than the public meeting presently scheduled for January 24, 2013 to allow PECO to include its projected expenditures for the annual shopping post card mailing in its next Consumer Education Surcharge filing on February 1, 2013.

⁷ In the 2012 Plan Order (p. 5), the Commission approved PECO's estimated budget for the tri-fold flyer and EDC letter with FAQs. As a result, PECO is currently collecting those previously approved costs under its existing Consumer Education Surcharge and anticipates that all of those costs will be recovered by the end of 2012. Therefore, following approval of the 2013 Plan, the Company intends to include solely the projected costs for the second annual Commission-endorsed shopping postcard, which approximate \$300,000, in the Consumer Education Surcharge.

III. CONCLUSION

Accordingly, PECO respectfully requests that the Commission grant this Petition and issue an order: (1) approving PECO's 2013 Consumer Education Plan and (2) granting PECO the right to recover expenditures associated with the implementation of the 2013 shopping postcard through the existing Consumer Education Surcharge contained in the current PECO tariff.

Respectfully submitted,



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November 19, 2012

Counsel for PECO Energy Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY :
COMPANY FOR APPROVAL OF ITS : **Docket No. P-2012-**
2013 CONSUMER EDUCATION PLAN :

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the **Petition of PECO Energy Company for Approval of its 2013 Consumer Education Plan** on the following persons in the manner specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL

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Dated: November 19, 2012

Counsel for PECO Energy Company

EXHIBIT A

2013 PECO Consumer Education

Overview

Background

On December 16, 2011, the Pennsylvania Public Utility Commission (“Commission”) issued a Tentative Order entitled “Investigation of Pennsylvania’s Retail Electric Market: Intermediate Work Plan” (Docket # I-2011-2237952) that included several steps to educate customers about the process and benefits of switching to a competitive electric generation supplier. On March 1, 2012, the Commission issued an order (the “Intermediate Work Plan Order”) in which it affirmed the guidance provided in the December 16, 2011 Tentative Order. In addition, the Commission directed electric distribution companies (“EDCs”) to implement two additional mailings to residential and small business customers prior to the end of 2012: a Tri-fold flyer and an EDC letter with frequently-asked questions (“FAQs”) about shopping for electric supply. The Intermediate Work Plan Order also established an annual requirement for the mailing of a Commission-approved postcard (the “PUC Postcard”) encouraging customers to shop for a competitive supplier and highlighting the Commission’s website for electric shopping, www.PAPowerSwitch.com.

On June 21, 2012, the Commission issued an order (the “June 21 Order”) adopting a revised schedule for the mailing of these additional consumer education materials, with the Tri-fold flyer delayed until after November 2012 (but no later than February 2013) and the EDC letter and FAQs to be mailed no later than December 2013.

The Company’s current consumer education plan was approved by the Commission at Docket No. P-2011-2279773 on January 27, 2012. This updated plan provides PECO’s recommended communication strategy and projected costs associated with implementation of the steps outlined in the Commission’s Intermediate Work Plan Order and the June 21 Order. Following approval of this updated plan, the Company intends to include the associated implementation costs in its next Consumer Education Surcharge filing on February 1, 2013.

Additionally, PECO notes that the Commission, in its Tentative Order on the RMI End State Proposal (issued November 8, 2012), directed implementation of a state-wide consumer education campaign by June 2014. To the extent that the costs of the state-wide directive or other emergent costs are to be recovered through PECO’s Consumer Education Charge, PECO will prepare additional updates to its plan.

PECO Project Management

A cross-functional team has been established with representatives from various PECO departments including Communications, Marketing, Regulatory, Customer Care and Legal to successfully execute this requirement.

Strategic Approach

Strategy

PECO will execute the mailing required by the Intermediate Work Plan Order. The following summarizes the mailing:

PECO will complete the second annual Commission-endorsed postcard mailing, which is scheduled to commence and conclude by February 2013.¹

Mailing #1 – Postcard

- Educate PECO customers on their ability to purchase their electricity from a competitive electric generation supplier and encourage shopping for electricity
- Promote customer use of www.papowerswitch.com as a valuable resource

Audiences

- Residential Customers
- Small Commercial Customers

Annual Budget

An annual budget of \$300,000 has been established for this campaign. The cost will be offset by any funds remaining from PECO's December 2012 Consumer Education Plan, with any additional costs being recovered through the Consumer Education Surcharge.

Should PECO be directed to implement a state-wide consumer education campaign as stated in the Commission's Tentative Order on the RMI End State Proposal (issued November 8, 2012), PECO will revise its plan accordingly so that the Company can recover the costs of implementation and any other emergent costs through PECO's Consumer Education Charge.

¹ In the 2012 Plan Order (p. 5), the Commission approved PECO's estimated budget for the tri-fold flyer and EDC letter with FAQs. As a result, PECO is currently collecting those previously approved costs under its existing Consumer Education Surcharge and anticipates that all of those costs will be recovered by the end of 2012. Therefore, following approval of the 2013 Plan, the Company intends to include solely the projected costs for the second annual Commission-endorsed shopping postcard, which approximate \$300,000, in the Consumer Education Surcharge.

• TIMING	ACTIVITY	ESTIMATED BUDGET
By no later than February 28, 2013; annually thereafter	Mailing of PUC postcard to approximately 1.4 million residential and small business customers	Printing = \$0.05M Mailing Services = \$0.05M Postage = \$0.2M TOTAL = \$0.3M

Mailing Assumptions

- Estimates assume mailing #1 is sent Standard Presort

Note: All costs are estimates, prepared in 2012. Actual costs are subject to change due to paper cost increases, changes in the scope of the project, change in the number of pieces, etc.

EXHIBIT B

Legal Department

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December 20, 2007

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

**Re: Policies to Mitigate Potential Electricity Price Increases
Docket No. M-00061957**

Dear Mr. McNulty:

Enclosed please find an original and three copies of PECO Energy Company's Petition for Approval of Its Consumer Education Plan, to be filed in the above-referenced docket. Kindly return a time-stamped copy of the same to me in the self-addressed stamped envelope.

Please do not hesitate to contact me should you have any question.

Very truly yours,



Ward L. Smith
Assistant General Counsel

WLS/zr

Enclosures

cc: Johnnie Simms, Office of Trial Staff
Irwin A. Popowsky, Office of Consumer Advocate
William R. Lloyd, Jr., Office of Small Business Advocate

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Policies to Mitigate :
Potential Electricity Price Increases : Docket No. M-00061957

**PECO ENERGY COMPANY'S PETITION FOR
APPROVAL OF ITS CONSUMER EDUCATION PLAN**

1. Introduction and Background

In its May 17, 2007 Final Order in this docket, the Commission ordered (p. 5)

that:

Each electric distribution company ("EDC") shall file a consumer education plan for its service territory with the Commission for approval by December 31, 2007.

Pursuant to that directive, PECO Energy Company ("PECO") hereby submits its consumer education plan for approval by the Commission. A copy of PECO Energy's Consumer Education Plan is attached to this Petition as Attachment A.

The broad purpose of this docket is to establish policies to mitigate potential electricity price increases that are anticipated to occur in the coming years. Effectively all commentors agreed on two over-arching principles: (1) that an effective price mitigation policy must be based in significant part on consumer education, and (2) that utilities should be allowed to recover their costs incurred in conducting such consumer education programs. As the Commission stated (p. 2) in its May 17, 2007 Final Order:

Parties agreed [in comments to the Commission's Tentative Order] that consumer education was an essential element of a price mitigation strategy, that EDCs should implement education programs, and that EDCs could recover the reasonable costs of education programs from ratepayers.

Given that broad consensus and the Commission's subsequent directive, this Petition does not revisit the policy justification for consumer education or for cost recovery. Rather, this Petition discusses (a) an implementation schedule, (b) plan messages/content, (c) audience focus, and (d) PECO's proposed approach to cost recovery.

2. PECO's Consumer Education Plan

A. Implementation Schedule

The Commission's May 17, 2007 Final Order states (p. 8) that consumer education plans should include an implementation schedule and budget; the Commission encouraged implementation schedules "that will be in effect for at least five years."

PECO's Consumer Education Plan is a five-year plan that spans the period January 2008 to December 2012. PECO proposes to spend \$6.6 million on consumer education pursuant to that Plan. PECO's plan has four general phases to its implementation schedule, with spending currently anticipated along the following timeline:

Phase 1	2008	\$600,000
Phase 2	2009	\$1.5 million
Phase 3	2010	\$3 million
Phase 4	2011-12	\$1.5 million

PECO's final existing rate cap expires on December 31, 2010; this plan anticipates a higher consumer education spend (\$3 million) in the year immediately preceding expiration of the rate cap. As PECO continues to develop its understanding of customers' educational needs over the next five years, it may be necessary to accelerate some of this spending into earlier years or delay it into later years of the five-year plan.

B. Plan Messages/Content

In its May 17, 2007 Final Order, the Commission directed (pp. 6-7) each EDC to design a Plan specific to its service territory to give consumers practical advice about preparing for potential electric price increases and how they can reduce the costs of their bills. The Commission set forth eight detailed "Energy Education Standards" to be included in each plan, as follows:

- The generation component of retail electric rates charged to customers by electric utilities has been capped since 1996, and that the cap for that customer's service territory will expire on _____ (as per territory). [For PECO, that date is December 31, 2010.] ("EES1")
- The rate charged for generation service will change after the rate cap expires, and may significantly increase. ("EES 2")

- Customers can take certain steps before the expiration of the rate cap, and other steps at the time the rate caps expire, that may help them control the size of their electric bills. (“EES3”)
- Customers can control the size of their electric bills through energy efficiency, conservation and demand side response measures. Customers can benefit from utilizing these measures now, even if the rate cap is still in effect where they reside. (“EES4”)
- Cost-effective energy efficiency, conservation and demand side response programs and technologies have been identified and information about them is readily available. (“EES5”)
- Customers may reduce the size of their electric bills, or receive service options more suited to their needs, by purchasing generation service from an alternative electric generation supplier. (“EES6”)
- Current information that will allow customers to make informed choices about competitive generation alternatives is readily available. In territories where there are not competitive offerings currently, more choices may be available once rate caps expire. (“EES7”)
- Programs exist to help low income customers maintain their utility service, and information about them is readily available. (“EES8”)

PECO will focus on some of these messages – such as the fact that rate caps will expire (a part of EES 1) – during the early phases of its Consumer Education as an educational groundwork for future action. Later phases of its plan will address, for example, specific actions that customers may take to control their electric utility bills (for example, by higher emphasis on EES 4-8).

PECO’s Consumer Education Plan addresses (pp. 3-5) this issue at some length

under the heading of "Tactics." In shortened version, PECO expects consumer education during each of the four phases of the plan to focus on the following messages:

Phase 1 – (2008)

- Rate cap history; message that costs will likely increase after expiration of rate caps; overview of changes that are expected in 2011 when PECO begins to purchase power from the competitive marketplace. (EES 1, EES 2, EES 7)

Phase 2 – (2009)

- Customers can take steps to control bills (EES 3); low-income customers will have access to programs to assist them. (EES 8)

Phase 3 – (2010)

- Focus on energy efficiency, conservation and demand side response. (EES 3, EES 4, EES 5)

Phase 4 – (2011-12)

- Focus on purchases from alternate suppliers and other market issues. (EES 6, EES 7)

Importantly, each phase includes two opportunities – that is, two opportunities per year until 2012 -- to do customer polling and/or focus groups. This will allow PECO to continually refine its messaging strategy – both as to content and delivery channel -- throughout the course of the Plan. This will allow PECO to respond to, for example, external events, the relative effectiveness of messages, customer feedback on areas in which additional information/assistance is needed, and integration with the Commission's statewide plan as details of the statewide plan become available.

C. Audience Focus

In its May 17, 2007 Final Order, the Commission also encouraged (pp. 7-8) utilities to devote a portion of their Customer Education Plan to specific segments of their customer base, including:

- African-American and Latino markets
- Senior citizens
- People in the household responsible for reviewing and paying utility bills
- Low-income households
- Rural households
- School-aged children
- Small business customers

Each of these customer segments constitutes a separate audience that will need to be approached using different messages and through different channels. For example, PECO anticipates that the most effective method of reaching school-age children will be through community outreach – most likely through presentations or graphics for the classroom, places of worship and community centers – while the most effective method of reaching the African-American and Latino markets will include radio ads on stations with high listenership in those audience groups.

PECO's plan includes (p. 3) an overview of the channels it will use to reach each of these audiences. While it is too early to chose specific channels – radio time, for example, has to be purchased from a given station on the basis of then-current demographics, ratings, and fees – the general categories set forth in the Plan as the

appropriate channels to reach each target audience are based upon PECO's previous experience reaching those audiences. With the assistance of the twice-a-year customer feedback opportunities that are also included in the Plan, PECO expects to be able to target an effective consumer education program within the general media and outreach categories designated for each audience.

D. Cost Recovery

In its May 17, 2007 Final Order, the Commission directed (p. 8) utilities to propose a specific cost-recovery mechanism for the costs incurred in implementing its Consumer Education Plan.

PECO's proposed budget for the five-year consumer education plan is \$6.6 million, nominally allocated into four phases as described in Section 2B of this Petition. PECO proposes to recover its costs for this program in two ways.

First, PECO has \$640,644 dollars in funds that were allocated for consumer education, but not spent, during the initial move to retail competition in the late 1990's (the "Paragraph 37 Funds.")¹ PECO proposes to utilize the Paragraph 37 Funds, until

¹ PECO's consumer education budget for the move to retail competition -- \$24 million -- was established in Paragraph 37 of its Restructuring Settlement, which was approved by the Commission in 1998. *See Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code*, Docket Nos. R-00973953 and P-00971265, Final Order, May 14, 1998. Although the \$24 million consumer education budget established in that Settlement was a "not-to-exceed" number, rather than a mandated \$24 million spend, PECO is prepared to spend the remaining balance of that \$24 million budget -- in other words, \$640,644 -- and forego recovery of that amount from its customers.

they are exhausted, for the current consumer education program. The Paragraph 37 Funds will effectively fund PECO's consumer education program through Phase I, or approximately through December 31, 2008. PECO does not in this Petition seek and will not in any future filing seek recovery of the Paragraph 37 Funds from its customers.

Second, PECO proposes to track all costs of its consumer education program, but to defer recovery of costs above the \$640,644 expenditure noted above. Instead, in its upcoming default service filing, PECO will propose a method for recovering its consumer education costs that are not covered by the Paragraph 37 Funds, whether as part of its Price-to-Compare, a surcharge, or otherwise.² PECO requests that the Commission allow it to defer those costs as a regulatory asset for future recovery through the cost recovery mechanism approved in its default service filing.³

PECO respectfully suggests that this two-step combination is an appropriate approach to dealing with recovery of its consumer education costs. In its May 10, 2007 *Final Policy Statement on Default Service and Retail Electric Markets*, Docket No. M-000720009, the Commission gave guidance (pp. 2-3) on the importance of treating the

² The Commission will be implementing a statewide consumer education program. The Commission's May 17, 2007 *Final Order* states (p. 11) that utilities may recover their costs associated with the statewide program "in the same manner as they recover other costs by the Commission. In the alternative, utilities may propose a different cost recovery mechanism as part of their consumer education plan filing." PECO will also address this issue in its default service filing.

³ Consistent with obtaining full recovery of its costs, the deferral would include statutory interest on expenditures made, but not yet recovered from customers.

default service and price mitigation efforts as component parts of a single comprehensive strategy:

This policy statement, coupled with the default service regulations, and the order on electricity price mitigation, represents a comprehensive strategy for addressing retail rates in the context of expiring rate caps and still developing retail and wholesale energy markets.

Moreover, the Commission's *Final Policy Statement on Default Service and Retail Electric Markets* also states that education costs, such as the consumer education costs associated with the instant plan, need to be integrated into the default service analysis. Indeed, § 69.1808 states, among other things, that:

§ 69.1808. Default service cost elements.

(a) The PTC should be designed to recover all generation, transmission and other related costs of default service. These cost elements include:

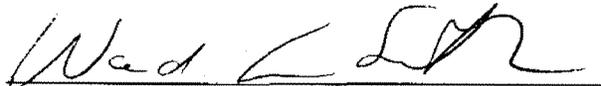
(4) Administrative costs, including billing, collection, **education**, regulatory, litigation, tariff filings, working capital, information system and associated administrative and general expenses related to default service. (emphasis added).

PECO's proposal allows it to simultaneously accomplish these dual goals. First, it can begin spending on consumer education in 2008, utilizing the remaining funds in its budgeted consumer education account from the 1998 Restructuring Settlement. Second, it can fully integrate its proposed cost recovery mechanism into its default service filing as part of its comprehensive strategy for addressing retail rates.

Conclusion

PECO respectfully requests that the Commission issue an Order⁴ (1) approving PECO Energy's attached Consumer Education Plan; (2) approving PECO Energy's use of \$640,644 of funds that PECO allocated, but did not spend, for consumer education pursuant to Paragraph 37 of its Restructuring Settlement, to fund its Consumer Education Plan for 2008 or until the Paragraph 37 funds are exhausted, (3) allowing PECO Energy to defer the costs not covered by Paragraph 37 Funds as a regulatory asset for future recovery through the cost recovery mechanism approved in its default service filing; and (4) granting PECO leave to propose its cost recovery mechanism for those deferred costs in its default service filing.

Respectfully submitted,



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Dated: December 20, 2007

Counsel for PECO Energy

⁴ PECO recognizes that, pursuant to the Commission's December 11, 2007 Secretarial Letter in this docket, any Order issued in this docket will be a Tentative Order subject to a public comment period.

Consumer Education Plan

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SECTION 114
REGULATORY BUREAU



Post 2010 Consumer Education
12/19/07 FINAL

Overview

This document provides recommended communications strategies and tactics for the five year period beginning January 2008 through December 2012 to:

- Educate PECO customers on changes in the electric marketplace beginning on January 1, 2011
- Provide valuable information to help customers manage the impact of related price increases
- Positively position PECO as a trusted source of information, acting on behalf of customers and a helpful resource and partner to customers through the transition to an open energy marketplace

Owners

- A cross-functional team has been established with representatives from various PECO departments including communications, corporate relations, community services, universal services, marketing, regulatory affairs, call center and legal.

Strategic Approach

Background

- Pennsylvania's General Assembly approved the deregulation of the electric industry in 1996. With deregulation, PECO customers enjoyed guaranteed rate reductions of eight percent in 1999 and six percent in 2000. Distribution rates, the cost to deliver energy, were capped through June 2004 and generation rates, the cost of the energy itself, were set through December 31, 2010.
- In 2000, the Pennsylvania Public Utility Commission approved a merger settlement between PECO and Unicom, creating Exelon. The settlement also included \$200 million in rate reductions for customers during a four-year period. It also provided additional rate protection by extending the company's distribution rate caps through December 2006 (maintaining the two modest planned generation rate increases of six percent in 2006 and five percent in 2007 previously agreed to in the restructuring settlement) and keeping generation rates the same through December 31, 2010.
- The generation rate caps established through deregulation and PECO's merger will expire on December 31, 2010.
- Beginning on January 1, 2011 the cost PECO incurs to purchase power on behalf of default service customers from the competitive marketplace will be passed along to customers.

Strategy

- Build a foundation for Post 2010 by building trust with customers now
 - Develop a clear, simple way to communicate with customers that rates have been capped below market costs, why rate increases are justified, what the company is doing to help, and what customers can do to manage the transition
 - Demonstrate that PECO is a well-managed company with a commitment to energy efficiency and the environment
 - Work with other PA electric utilities to develop unified messages and approach
 - Continue to work closely with PA PUC and other stakeholders to ensure alignment and coordination with statewide campaign.
- Leverage existing activity and additional integrated communications including: earned and paid media, community outreach and events, direct and Web-based communications to help mitigate the impact of price increases by helping customers understand:
 - The components of their energy bill
 - The true cost of electricity
 - Why electric rates are changing
 - What PECO is doing to help customers
 - How customers can prepare now for higher energy prices
 - How energy efficiency and conservation can help
 - The availability, if applicable, of alternative electric generation suppliers

Energy Education Standards

The Commission has developed the following set of Energy Education Standards to communicate to customers. The following standards will be used as a basis to develop compelling and effective messages for customers:

- The generation component of retail electric rates charged to customers by electric utilities has been capped since 1996, that cap for PECO customers will expire on December 31, 2010.
- The rate charged for generation service will change after the rate cap expires, and is expected to increase
- Customers can take certain steps before the expiration of the rate cap, and other steps when the rate caps expire, to help control the amount of their electric bills
- Customers can control the amount of their electric bills through energy efficiency, conservation and demand side response measures. Customers can benefit from utilizing these measures now, even if the rate cap is still in effect.
- Cost-effective energy efficiency, conservation and demand side response programs and technologies have been identified and information about them is readily available.

- Customers may reduce the amount of their electric bills, or receive service options more suited to their needs, by purchasing generation service from an alternative electric generation supplier.
- Current information that will allow customers to make informed choices about competitive generation alternatives is readily available. In territories where there are not competitive offerings currently, more choices may be available once rate caps expire.
- Programs exist to help low income customers maintain their utility service, and information about them is readily available.

Audiences / Vehicles

- Residential
 - General Residential Market – Earned Media, Paid Media, Direct Communication, Web-based Communication, Community Outreach
 - African American and Hispanic Customers – Earned Media, Paid Media, Direct Communication, Web-based Communication, Community Outreach
 - Low Income Households – Earned Media, Paid Media, Direct Communication, Community Outreach
 - Senior Citizens and Fixed Income Customers – Earned Media, Direct Communication, Community Outreach
 - Rural Households – Earned Media, Direct Communication, Community Outreach
 - School Aged Children – Community Outreach, Web-based Communication
- Small Business Customers
 - General Small Business Market -- Earned Media, Direct Communication, Web-based Communication, Community Outreach

Budget

- A budget of \$6.6 million has been established for PECO's consumer education campaign for the five-year period beginning in 2008 and ending in 2012.

Tactics

Pre-Phase

- Through December 31, 2007. The pre-phase is being used as an opportunity to understand the current view of customers and develop strategy and tactics to address concerns and build trust and value. Specific activity includes strategic planning, baseline research through statewide telephone polling and PECO customer focus groups, and message development.

- Baseline public opinion research and customer focus groups were completed in October 2007. In general the study revealed a basic lack of understanding by customers regarding what has occurred in the electric market through deregulation and what will occur in the future. Specifically,
 - 53% of PECO customers don't know how rates are determined, or think PECO can just make its own decisions about rates
 - 86% of PECO customers don't know whether PECO owns its own power plants, or think PECO generates its own power
 - 81% of PECO customers did not know that rates have been stable since 1997, or volunteer that this is not true.

** Examples of current messaging and supporting tactics are found in the appendix.*

Phase 1

- Phase 1, from January 2008 through January 2009, will be used to begin the education process with customers. The year will focus on what has occurred in the past and is expected to occur in the future. Specific activity will include earned media, paid media, direct communication with customers and Web communications.

Phase 2

- Phase 2, from January 2009 through January 2010, will be used to continue to educate customers and communicate potential impacts and actions. The year will focus on PECO's procurement efforts, the related price / impact to customers, what PECO is doing and how customers can prepare. Specific activity will include earned media, paid media, direct communications, Web-based communication, and community outreach.

Phase 3

- Phase 3, from January 2010 through January 2011, will continue education detailing specific impact to customers, reinforce PECO's role to assist customers with this change and what steps customers can take to manage their energy usage and energy costs. Specific activity will include earned and paid media, direct communication, Web-based communication and community outreach.

Phase 4

- Phase 4, beginning January 2011, will continue to focus on PECO's role to assist customers and efforts to help customers manage their energy costs. Specific activity will include earned and paid media, direct communication, Web-based communication, and community outreach.

Assessment

- Each phase of the plan includes customer polling and focus groups to assess the results and effectiveness of the outreach. Results of this ongoing assessment will allow for adjustments to the plan to ensure funds are being spent on the most effective messaging and vehicles.

TIMING	ACTIVITY	ESTIMATED BUDGET & BREAKDOWN
PHASE 1 January 2008 – January 2009	Earned media, paid media, direct communication and Web-based communication focusing on: <ul style="list-style-type: none"> • Customer Education • Background • What Will Happen In The Future • Potential Pricing Customer polling and focus groups (2x per year)	Earned Media: \$10,000 Paid Media: \$335,000 Direct: \$20,000 (4 panels) Web-based: \$75,000 Research: \$110,000 Other: \$50,000 (staff augmentation) TOTAL: \$600,000
PHASE 2 January 2009 – January 2010	Earned media, paid media, direct communication, Web-based communication, community outreach focusing on: <ul style="list-style-type: none"> • Customer Education • Procurement • Price / Impact • Mitigation Customer polling and focus groups (2x per year)	Earned Media: \$20,000 Paid Media: \$1M Direct: \$30,000 (6 panels) Web-based: \$50,000 Community Outreach: \$240,000 Research: \$110,000 Other: \$50,000 (staff augmentation) TOTAL: \$1.5 million
PHASE 3 January 2010 – January 2011	Earned media, paid media, direct communication, Web-based communication and community outreach focusing on: <ul style="list-style-type: none"> • Specific Rate Impact • Mitigation Strategies (shopping, DSM, energy efficiency, conservation, energy audit, etc) Customer polling and focus groups (2x per year)	Earned Media: \$50,000 Paid Media: \$1.655M Direct: \$85,000 (12 panels, 2 inserts) Web-based: \$50,000 Community Outreach: \$1M Research: \$110,000 Other: \$50,000 (staff augmentation) TOTAL: \$3 million
PHASE 4 January 2011- December 2012	Earned media, paid media, direct communication, Web-based communication and community outreach focusing on: <ul style="list-style-type: none"> • Follow-Up • Mitigation Efforts (shopping, DSM, energy efficiency, conservation, energy audit, etc) Customer polling and focus groups (2x per year)	Earned Media: \$15,000 Paid Media: \$545,000 Direct: \$30,000 (6 panels) Web-based: \$50,000 Community Outreach: \$700,000 Research: \$110,000 Other: \$50,000 (staff augmentation) TOTAL: \$1.5 million

Additional Detail

Earned Media – News Releases, Media Advisories, Public Service Announcements, Interview Opportunities

Paid Media – Print, Radio, Television, Outdoor Advertising

Direct Communication – **Energy@Work**, **Energy@Home**, Bill Inserts, Direct Mail, IVR Messages, Outbound Calling

Web-based Communication – Internet

Community Outreach – Event Sponsorships and Participation

Appendix

News Releases

January 17, 2007 - Winter Weather Is Here, PECO Reminds Customers to be Prepared! Region braces for five consecutive days below 40 degrees

Contact: Cathy Engel or Cameron Kline 215-841-5555

PHILADELPHIA (January 17, 2007) – As this year's first stretch of arctic temperatures hit the region, PECO reminds customers how they can save money by using energy efficiently.

PECO urges low- and fixed-income customers who may need help paying their winter heating bills to apply for assistance programs including LIHEAP, the Low Income Home Energy Assistance Program. LIHEAP is a Federal program that provides cash and crisis assistance to qualifying individuals. Local residents can call PECO's LIHEAP hotline at 1-800-34-HELP-4 for more information or an application.

Here are some simple tips that can be done right now to help keep your home safe and warm and your energy bill down:

- Check for drafts around windows and doors, and seal up any openings with weather stripping. A drafty house lets warm air escape and is much more costly to keep warm.
- Keep the fireplace damper closed tightly when not in use.
- Keep heating vents clean and do not cover ducts with drapes or furniture that can block the airflow and possibly cause a fire.
- Close off unoccupied rooms and regulate individual room temperatures.
- Keep your thermostat set at a constant, comfort level – usually 68 – 70 degrees. Or, consider installing a programmable thermostat. These thermostats automatically regulate temperatures for increased comfort and savings.
- Replace the filter for your heat pump or furnace for the new heating season. Dirty filters block airflow and force equipment to work harder.
- Wrap water heaters with an insulation blanket.

PECO customers who are not eligible for low- and fixed-income assistance but are experiencing difficulty with their energy costs should take steps to ensure they are using energy as efficiently as possible and also consider taking advantage of other programs including budget billing.

Budget billing makes short-term fluctuation in monthly bills much easier to handle by dividing annual energy costs evenly throughout the year. Call 1-800-494-4000 or visit www.peco.com for energy efficiency tips and additional information on budget billing.

###

June 19, 2007 - Summer Arrives This Week! PECO Launches New Website and EasySave Energy Kit; Stay Cool and Save on Your Energy Bills

Contact: Cathy Engel 215-841-5555 or
Cameron Kline 215-841-5555

PHILADELPHIA (June 19, 2007) – PECO is marking the return of warm weather by launching a new, summer energy efficiency website where anyone who wants to save energy can purchase one of the company's new EasySave Energy Kits.

The new kit can save customers about \$40 a year and nearly \$400 during the life of the products. A value of \$30, the kit is available to PECO customers for \$19.99 plus \$3 shipping and handling. For information call 1-800-831-8383 x 190 or visit www.pecosummer.com. The kit includes:

- **ENERGY STAR 60, 75 and 100 watt Compact Fluorescent Lightbulbs (CFL):** Each CFL uses about 75 percent less energy than standard incandescent light bulbs and can last up to 9 years.
- **Filter Whistle:** This handy device snaps onto filters in central cooling or heating systems. As dust collects, the device whistles and reminds you that it is time to change the filter.
- **Low Voltage Night Light:** This flat plug-in night light uses only 31 cents of electricity a year, saving you about \$9.
- **Refrigerator/Freezer Thermometer:** Many refrigerators are set colder than necessary and are wasting electricity. Knowing the proper setting for your appliance will help you save money.
- **Switch and Outlet Insulators:** Lack of insulation lets warm air enter your home and makes your cooling system work harder. These easy to install insulators go behind light switch plates and outlets to help seal up your home.
- **Energy Efficiency Information:** This handy information wheel not only provides users with energy saving information, but it offers several ways that customers can help the environment.

Visit www.pecosummer.com, PECO's online energy store, for a wide variety of energy efficient products. PECO has joined with Energy Federation Inc., one of the leading distributors of energy-saving products in the United States, to offer energy-saving products at a 20 percent discount to PECO customers. The company does not profit from any of the online sales, but is offering its customers another way to save money this summer by reducing their home energy usage.

Electricity usage normally increases during hot humid days, so by following these simple energy efficiency tips customers can save money all summer long:

- Keep shades, blinds and curtains closed. About 40 percent of unwanted heat comes through windows. Simply drawing blinds and curtains, which act as a layer of insulation, can reduce heat gain to your apartment or home.
- Turn off all unnecessary lighting and appliances.
- Keep your thermostat set at a constant, comfortable level. On the hottest days of the summer with temperatures greater than 90 degrees, raising the thermostat setting just a few degrees will save money.
- To reduce heat and moisture in your apartment or home, run appliances such as ovens, washing machines, dryers and dishwashers in the early morning or late evening hours when it's generally cooler. Use a microwave to cook, or barbecue outside if possible.
- Use fans to circulate cooled air. This will more evenly distribute cool air and ease the strain on your air conditioner. For those without air conditioning, be sure to partially open windows for cross ventilation.
- If you use window air conditioner units, place them on the north or shady side of the apartment or house to avoid overworking the unit in the hot daytime sun.
- Check the condition of your air conditioner's filter monthly

###

November 21, 2007 - Go Ahead And Deck The Halls! PECO Offers Energy Costs & Safety Tips for Holiday Decorating

Contact: Cathy Engel or Joanna Chigurupati 215-841-5555

PHILADELPHIA (November 21, 2006) – The holiday season is here . . . and with the holidays comes decorating! PECO offers helpful information to get in the holiday spirit and ensure you stay safe.

Following are tips and suggestions to help ensure a safe holiday season.

Decorative Lighting:

- Only decorate with lights that have a NOEL or U/L testing agency label. Check wires, plugs and sockets for defects. Remember: If in doubt – throw them out.
- Do not overload outlets and extension cords. Never tie together more than three extension cords.
- Don't run electric cords under carpet, seat cushions or anywhere they may be crushed or broken.
- Keep electric cords and extension cords out of the reach of children.
- Turn off all decorative lights when going to bed or leaving the house.

Outdoor Lighting:

- Be sure decorative lights used outside are approved for outdoor use.
- Outdoor lights should be hung with insulated staples or hooks rather than nails or tacks.
- When decorating outdoors, be aware of all power lines. Don't work near overhead power lines or anywhere there is a possibility of contacting an overhead power line, either directly or indirectly with a ladder or other piece of equipment. Do not string lights on outdoor trees that are growing into or near power lines -- entire trees may become energized if lights come in contact with a power line.

Christmas Trees:

- If you buy a natural grown tree, be sure it is fresh. Cut the trunk on a 45-degree angle, about one inch above the original cut, and place it in a sturdy stand. A large tree should be anchored to prevent it from toppling over and possibly catching fire.
- Be sure to place trees away from fireplaces, radiators, television sets, and other sources of heat that may prematurely dry out the tree and make it more susceptible to fire. Make sure the tree has a sufficient amount of water at all times.
- If you have an artificial tree, make sure it is made of a fire resistant material. Lights should be hung on plastic trees only, never place electric

lights on a metallic tree.

Fireplace Safety:

- Don't burn wrapping paper or boxes in the fireplace. These types of materials ignite quickly and may burn uncontrollably. Wrapping paper also may not always burn completely and can become lodged in the chimney creating a fire hazard.
- When cleaning out fireplaces, place ashes in a metal container and store outdoors away from combustibles. Ashes can remain hot for several hours, if not days. Discard ashes only when they have completely cooled.

It's that time of year when houses shine a bit brighter in the Philadelphia area, and many wonder how much the decorative lights add to a monthly electric bill. Bills will vary based on the billing cycle for each customer (what date each month the bill is sent), but the following is an easy way to help calculate energy costs this holiday season.

- Count the number of bulbs on your indoor tree and all of your other decorative indoor and outdoor lights. For example, 1,000.
- Check the wattage per bulb -- one watt per bulb is common. For example, 1 watt.
- Multiply watts per bulb by number of bulbs. For example $1,000 \times 1 = 1,000$.
- Convert to kilowatts (kw) -- 1000 watts equals 1 kilowatt. For example, 1 kw.
- Estimate the number of hours in a month the lights are on. For example, 5 hours per day \times 30 days = 150 hours.
- Multiply the total kilowatts by the total number of hours the lights will be on to get the total kilowatt-hours (kwh). For example, 1 kw \times 150 hours = 150 kwh.
- Multiply the total kilowatt-hours by the total cost of electricity. For typical PECO customers, the total cost for generation, transmission and distribution of their electricity is 14 cents per kilowatt-hour. For example, 150 kwh \times .14 = \$21.

In our example, the total cost of holiday lighting would be an additional \$21.

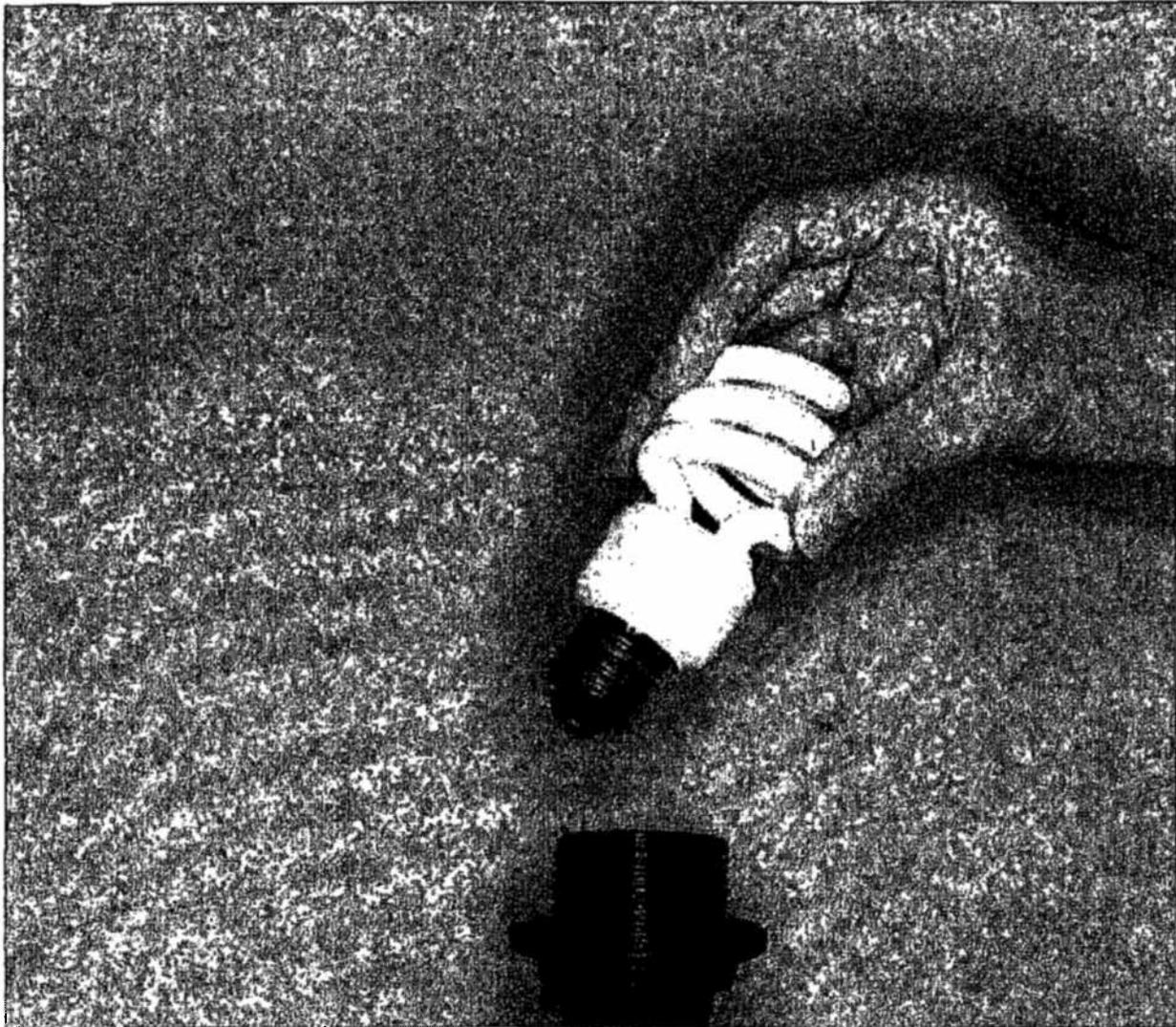
Visit PECO's online energy store at www.pecowinter.com for a wide variety of energy efficient holiday lighting available at a 20 percent discount. PECO does not profit from any of the online sales, but is offering its customers another way to save money this winter by reducing their home energy usage.

PECO wishes all its customers a bright, warm and safe holiday season!

###

Advertising / Winter Print

**This light bulb helps you see things differently.
Like your electric bill.**



To save energy and money, use compact fluorescent light bulbs, or CFLs. They work in the same lamps that ordinary bulbs do but use up to 66% less electricity and last up to 10 times longer.

PECO has dozens of other simple tips on our Web site to help you save energy and money. Visit PECO's online store for discounts on energy efficient products such as humidifiers, programmable thermostats and fans. And our Energy Saver Kit can help you save up to \$125 - \$250 per year - limited quantity available for \$25. We're not just here to bring you reliable, affordable energy. We're here to help.

Learn more at www.pecowinter.com or call us at 1-800-841-4141

Advertising / Winter Print

Tips spot
"Chair" QEXL3701
:30

TWO MEN, (ONE AFRICAN-AMERICAN, ONE CAUCASIAN), 30-45. AT AL'S HOME. TV IN BACKGROUND. MUSIC UNDER.

AL: And then she moved my chair!

ED: Oh-ho no!

AL: She went on the PECO Web site...

ED: Yeah?

AL: It says make sure your furniture doesn't block your heating register. You can save money.

ED: Huh.

AL: Huh. (AFFIRMING) It does feel warmer in here...

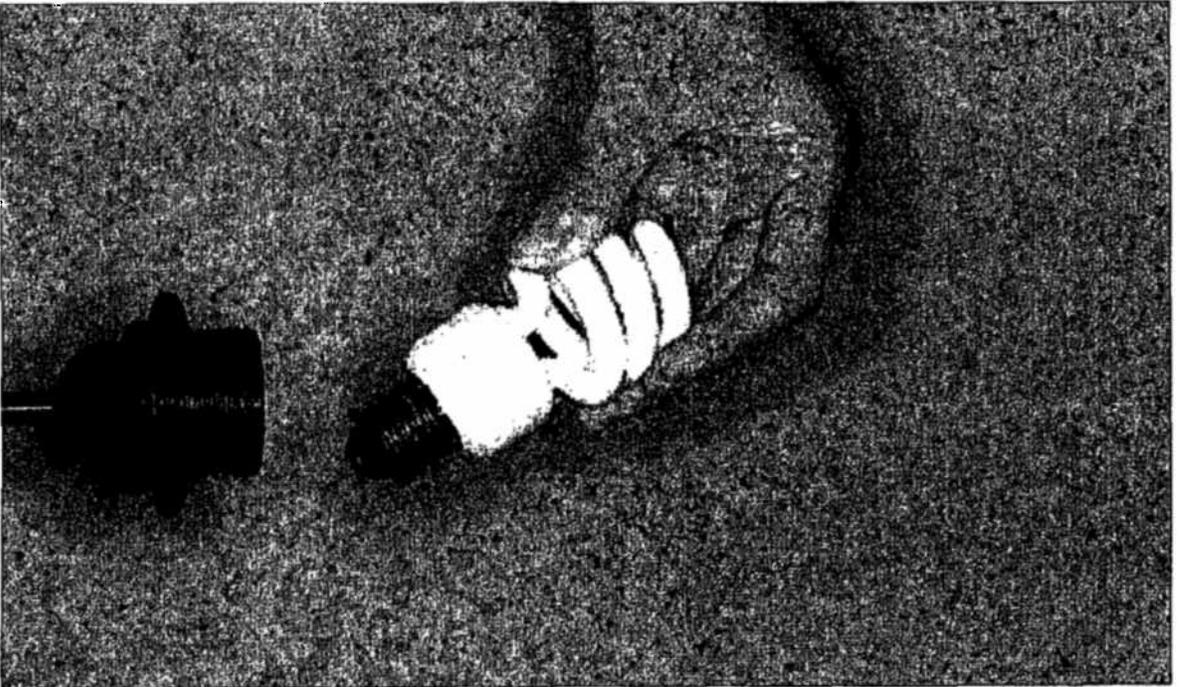
ED: Yeah, it does. (PAUSE, NOW HE'S INTERESTED) So what else does she know?

AL: It seems like she knows everything...

ED: Heh heh.. tell me about it.. (ED & AL'S LAUGHTER FADE INTO ANNCR)

ANNCR: For more money-saving tips call 1-800-494-4000 or visit pecowinter.com. At PECO, we're not just here to bring you reliable, affordable energy. We're here to help.

Advertising / Summer Print



This light bulb helps you see things differently.

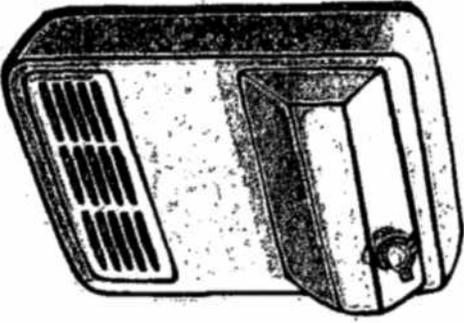
Like your electric bill.

To save energy and money, use compact fluorescent light bulbs, or CFLs. They work in the same lamps that ordinary bulbs do but use up to 66% less electricity and last up to 10 times longer.

PECO has dozens of other simple tips on our Web site to help you manage your electric bill and help the environment. Visit PECO's online store for discounts on energy-efficient products such as dehumidifiers, fans and CFLs. And our Energy Saver Kit, which includes three CFLs, can help you save money. Limited quantities are available for \$19.99 plus shipping and handling.

We're not just here to bring you reliable, affordable energy. We're here to help. Learn more at www.pecosummer.com or call us at 1-800-494-4000.





Here's another summer tip from PECO:

If your air conditioner is old, consider purchasing a new, energy-efficient model. You could save up to 50% on your electric bill by using ENERGY STAR® appliances.

We're not just here to bring you reliable, affordable energy. We're here to help.

Learn more at www.pecosummer.com or call us at 1-800-494-4000.

© PECO Energy Company, 2007





Here's another bright idea from PECO:

Save on your energy bill by plugging home electronics into a power strip. Turn off the power strip to prevent electronics from using power even when shut off.

We're not just here to bring you reliable, affordable energy. We're here to help.

Learn more at www.pecosummer.com or call us at 1-800-494-4000.

© PECO Energy Company, 2007





Here's another summer tip from PECO:

Save up to 10% a year on cooling bills by turning your thermostat back 10-15% for 8 hours. You can do this easily by installing an automatic setback or programmable thermostat.

We're not just here to bring you reliable, affordable energy. We're here to help.

Learn more at www.pecosummer.com or call us at 1-800-494-4000.

© PECO Energy Company, 2007



Advertising / 6ABC WPVI

***WPVI Sponsorship
:30 Vignettes – 2007 Summer Campaign***

1. "Budget Billing"

Cathy: Hi, I'm Cathy Engel from PECO.

Whatever the season, PECO has many ways to help you manage your energy costs. Our budget billing program lets you pay about the same amount every month, so you'll know how much to budget for your energy bill. You can also visit our online store for discounts on energy-efficient products and to purchase the Energy Saver Kit.

VO: For more ways to manage your bill and save money, visit peco.com. At PECO we're not just here to bring you reliable, affordable energy. We're here to help.

2. "Thermostat"

Visuals: Close up of Cecily Tynan, cut to hand adjusting programmable thermostat, cut to end page with PECO logo

Talent: Hi, I'm 6abc's Cecily Tynan. Help save energy this summer by installing a programmable thermostat. Setting the temperature back 10-15% for 8 hours saves up to 10% a year on your cooling bill.

Is your air conditioning unit getting old? You could save money on your electric bill this season by replacing it with a new, energy-efficient model; just look for the ENERGY STAR® label.

And don't forget to clean or replace your air filters every month.

VO: Visit pecosummer.com for more tips. At PECO we're not just here to bring you reliable, affordable energy. We're here to help.

3. "CFL"

Visuals: Close up of Adam Joseph, cut to replacing CFL in lamp, lamp turns on, cut to end page with PECO logo

Talent: Hi, I'm 6abc's Adam Joseph. Save energy by replacing your ordinary bulbs with CFL's, compact fluorescent light bulbs. They use up to 66% less electricity and last up to 10 times longer.

To conserve energy, consider task lighting; focus the light where you need it, instead of lighting an entire room. Save even more money on your bill by installing timers or photocells to reduce the amount of time your lights are on.

VO: Visit peco.com for more tips. At PECO we're not just here to bring you reliable, affordable energy. We're here to help.

WPVI: Final Billboard Copy → 2007 Summer Campaign

1) "Tips"

This AccuWeather forecast is brought to you by PECO.
Visit pecosummer.com for energy saving tips. PECO.
We're here to help.

2) "Brand"

This AccuWeather forecast is brought to you by PECO.
We're not just here to bring you reliable, affordable
energy. We're here to help, visit peco.com.

3) "Budget Billing"

This AccuWeather forecast is brought to you by PECO.
PECO is here to help you manage your electric bill this
season. Learn more at peco.com.

energy@home
and
energy@work



energy@HOME



An Exelon Company

January 2007

Adding energy to your life!

Being your utility means more than just keeping the lights on and the gas flowing.

PECO puts energy into providing the services you want and need:

- Flexible payment options like eBill and Power Pay.
- Payment assistance programs like LIHEAP and CAP.
- Energy-saving information.
- Ways to keep your bills affordable, including Budget Billing, our new Energy Saver Kit and discounted energy-efficiency products from our new Web store.

Check out www.peco.com/programs/save for one-stop access to useful resources, including a downloadable booklet with energy-saving tips and so much more.

Also, because we know how important it is that you quickly get the information you want when you call us, we are devoting energy and resources to improving our interactive phone system this year. You'll soon have more self-serve options that are easier to use than ever.

You'll find our energy throughout the communities we serve, as well. PECO is deeply involved in programs, organizations and initiatives across our region that enhance the lives of the people who live and work here. We support schools, arts and culture, and environmental and community development efforts. We provide financial support, leadership and employee volunteers to make a positive difference.

PECO is working hard to serve you better with reliable service, responsiveness to storms and other outages, accurate, on-time bills, and help with account changes and questions. You can count on us. That's a promise we strive to keep every day.

You are more than just our customer, you are our neighbor. PECO cares, and we're proud to serve you in 2007 and beyond.

Electricity. Natural Gas. Your life. Our energy.



You may qualify for help in paying your utility bill

The Low-income Home Energy Assistance Program (LIHEAP) is a federally-funded program that provides assistance to customers having problems paying their electric, natural gas or other energy bills. Homeowners, renters, roomers and subsidized-housing tenants might qualify for one or two of the grants available.

- Cash grants can be used to make direct payments to a utility like PECO.
- Crisis grants can be used for emergencies, including reinstating service that has been shut off for nonpayment, making fuel payments and repairing leaking pipes and broken furnaces.

To qualify, you must not exceed the income requirements shown to the right.

Household Size	Gross Yearly Income
1	\$12,920
2	\$17,321
3	\$21,722
4	\$26,123
5	\$30,524

For each additional person add \$4,401.

For additional information call the PECO LIHEAP Hotline now at 1-800-34-HELP-4.



An Emergency Preparedness Program for the Philadelphia Region

PECO is partnering with the City of Philadelphia and the Emergency Response organizations across our four suburban counties to promote emergency preparedness for all residents in our region. The mission of the Ready Region Campaign is to ensure that all citizens are prepared well in advance for all types of emergencies, even the most severe disasters. Below are some emergency preparedness tips to help us all be ready in emergency situations.

PECO outage safety tips

PECO is committed to providing you with reliable service. PECO employees and regulars ensure that they're ready to help when emergencies strike. It is important that you notify PECO at 1-800-692-4343 at the first sign of trouble with your electric or natural gas service. If you receive your gas from a utility other than PECO, please contact your gas utility. We make every effort to get power back on as quickly as possible. However, it's also essential that you are prepared for lengthy service interruptions, such as those that may occur during winter storms, blizzards, hurricanes or a region-wide emergency.

If an outage occurs:

- Turn off appliances and leave on one lamp so you'll know when power has been restored (in the way you avoid overloading circuits when power returns)
- Keep the freezer and refrigerator doors closed and keep food on only when necessary. Food will stay frozen for up to two days in a fully loaded freezer.
- Open faucets to allow drip to prevent pipes from freezing. Pools outside temperatures fall below 32 degrees.
- Open blinds to allow sun to warm the space. At night, cover windows with drapes or blankets to minimize heat loss.
- Stay away from downed power lines, and assume all lines are live and dangerous.
- Never use a gas range or oven for room heating. Be extra cautious with space heaters and never connect a power generator without a qualified electrician.

The Ready Region Campaign's key message is "The time to start planning for an emergency is not in the middle of one... In an emergency you're either READY or you're not!" The following tips can help homes and businesses prepare for all emergencies. For a complete list of recommendations, visit www.readyregion.org or call 1-877-READY-11.

What to have in your head

Choose a location to reunite after an emergency.

- Conduct practice drills of exit routes from your home and neighborhood.
- Identify an out-of-state relative for emergency contact.
- Plan for those with special needs.

What to have in your home

During an emergency you may be told to "Shelter in Place" for a period of time.

- Three gallons of drinking water for each household member.
- Ready-to-eat foods.
- Manual can opener.
- Battery-operated radio, flashlight and extra batteries.
- A whistle.
- Personal care items.
- Cell phone.

What to have in your hand

Prepare a household "Go Bag" containing items needed in the event of an evacuation.

- Copies of important documents and extra sets of keys.
- Credit cards, ATM bank cards \$100 or more in cash.
- Bottled water and food.
- A week's supply of medicine.
- A first-aid kit.
- Sturdy clothing and blankets.
- Child care and pet supplies and other personal care items.

Twice a year 1) Change your smoke alarm batteries; 2) Make sure your emergency plan and emergency contact information are correct; 3) Check that the food and batteries in your kits are still good.

Closing in on shorter service interruptions

Have you ever come home to blinking digital clocks? You may be surprised to learn that momentary outages are actually a signal that PECO's electric system is working properly, thanks to devices called "reclosers."

Reclosers work by sensing when trouble occurs, and they automatically open to isolate a problem. For example, a tree branch touching a power line can cause a problem. The reclosers open, and an instant later, the recloser closes back in. If the trouble is gone, the circuit stays in service and the customers will see only a momentary outage.

If trouble persists, the reclosers will open and close up to three times. After that, the recloser is programmed to consider the problem permanent and remains open, or off, until a crew can repair the damage.

So what do our system enhancements mean for you?

Prevents long service interruptions. Utility experts estimate that half of the problems on overhead power lines are temporary in nature.

150,000. That's how many outages are prevented each year by PECO reclosers.

Protects critical equipment. Reclosers can protect electric circuits and even substations from damage that could require substantial repairs.

So, the next time your lights blink, remember the recloser and the role it plays in providing reliable energy to your home and business.



Questions? Comments? Concerns?

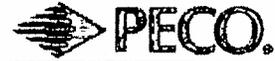
Write us at Energy@Home, Marketing Dept., 11th Floor, 2301 Market Street, Philadelphia, PA 19103, or e-mail us at EnergyHome@exeloncorp.com.



Employees of PECO and our parent company Exelon believe in giving back to the communities we serve. Last year, our employee United Way campaign raised nearly \$900,000 to help those in need.



energy@WORK



An Exelon Company

January 2007

Adding energy to your business!

Being your utility means more than just keeping the lights on and the gas flowing.

PECO puts energy into providing the services you want and need:

- Flexible payment options like eBill and Power Pay.
- Energy-saving tips.
- Ways to keep your bills affordable, including Budget Billing, our new Energy Saver Kit and discounted energy-efficiency products from our new Web store.

Check out www.peco.com/programs/save for one-stop access to useful resources, including a downloadable booklet with energy-saving tips and so much more.

Also, because we know how important it is that you quickly get the information you want when you call us, we are devoting energy and resources to improving our interactive phone system this year. You'll soon have more self-serve options that are easier to use than ever.

You'll find our energy throughout the communities we serve, as well. PECO is deeply involved in programs, organizations and initiatives across our region that enhance the lives of the people who live and work here. We support schools, arts and culture, and environmental and community development efforts. We provide financial support, leadership and employee volunteers to make a positive difference.

PECO is working hard to serve you better with reliable service, responsiveness to storms and other outages, accurate, on-time bills, and help with account changes and questions. You can count on us. That's a promise we strive to keep every day.

You are more than just our customer, you are our neighbor. PECO cares, and we're proud to serve you in 2007 and beyond.

Electricity. Natural Gas. Your business. So much more

Account
Customer Service
Energy Savings
Products and Services
Valuator
Smart Returns
Natural Gas Solutions
O Wind
eRate



PECO

Energy Savings Products

We Can Help Your Business

Improving your business quality can be a day about with a PECO

Introducing

This

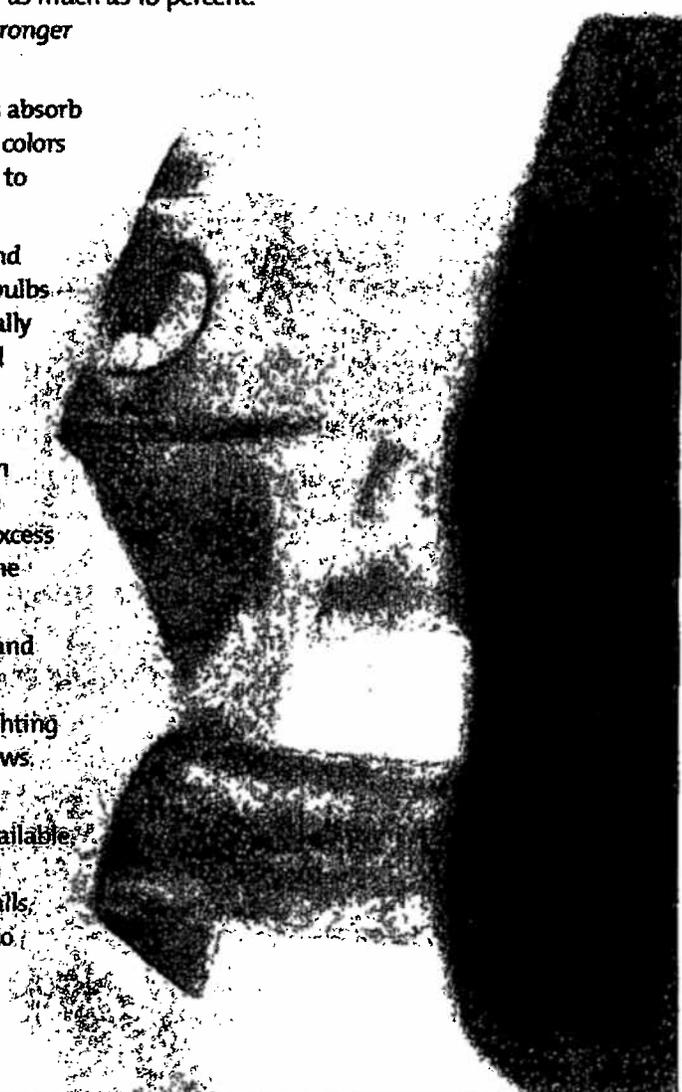


Saving energy in the workplace

To learn more about saving energy in the workplace, visit The U. S. Department of Energy's Energy Efficiency and Renewable Energy Web site. You will discover ways to save energy and learn more about renewable energy. There is also a tool that will help you calculate your energy usage. Visit http://www.eere.energy.gov/consumer/your_workplace and start saving today!

Energy-saving tips:

- ✓ Disconnect unnecessary or unused equipment. You may be surprised to find out how many empty cubicles have equipment that hasn't been turned off.
- ✓ Replace CRT monitors for computers with LCD units.
- ✓ Clean dusty light bulbs, lamps and diffusers every 6-12 months. Dirty, greasy, smoky light bulbs can reduce light output by as much as 10 percent. You'll avoid the tendency of switching to a stronger bulb, which will use more energy.
- ✓ Paint and decorate in light colors. Dark colors absorb light. Light colors reflect light. The lighter the colors you use, the less artificial lighting is required to illuminate the area.
- ✓ Remove any unnecessary lighting for track and recessed lighting; using only the number of bulbs needed to light an area. Three bulbs can usually do the same job as four if they are positioned accurately.
- ✓ Remove excess lights. Many older office and warehouse buildings have more lighting than needed. In many areas, half the lights may be sufficient to light the area. When removing excess fluorescent tubes, remember to disconnect the ballasts that serve them.
- ✓ Consider removing excess fluorescent lights and installing reflectors.
- ✓ Trim bushes and trees away from outdoor lighting to maximize illumination and prevent shadows.
- ✓ Make use of free day lighting, where possible. Turn off or dim lights when day lighting is available, or use automatic dimming controls. Use high reflectance ceiling tiles and light colors on walls, partitions, and carpeting to carry daylight into interior space.



Questions? Comments? Concerns?

Write us at ENERGY@WORK, Marketing Dept., 11th Floor, 2301 Market Street, Philadelphia, PA 19103, or e-mail us at EnergyWork@exeloncorp.com.



Employees of PECO and our parent company Exelon believe in giving back to the communities we serve. Last year, our employee United Way campaign raised nearly \$900,000 to help those in need.





July 2007

Stay cool and save on your energy bills

With warm summer weather, utility bills can rise due to higher usage for cooling. Follow these five energy efficiency tips to save money:

- If you use air conditioning, keep your thermostat at a constant, comfortable level (75 - 78 degrees) when you are home. Lowering the thermostat setting too far will not cool your home faster. The less difference there is between indoor and outdoor temperatures, the lower your overall cooling bill.
- Consider using interior fans in conjunction with your window air conditioner to spread cool air more effectively through your home without significantly increasing your power usage. Use ceiling, attic and window fans to circulate and evenly distribute cool air.
- Operate large appliances (e.g., kitchen stove, dishwasher, clothes dryer) in the early morning or evening hours to reduce heat and moisture in your home.
- Turn off all unnecessary lights and appliances.
- Keep shades, blinds and curtains closed during daytime hours. Drawn blinds and curtains act as insulation that can reduce the amount of heat from the sun that enters your home.

Here are a few additional steps you can take to help reduce energy costs:

- Have your central air conditioner professionally inspected and cleaned every two years and replace the air conditioner's filter at least once each season. A well-maintained appliance lasts longer, operates better, and saves money.



- Place window air conditioners on the shady side of your home to avoid overworking the unit in the hot sun.
- Plant trees or shrubs to shade air conditioning units, but be mindful not to block the airflow. A unit operating in the shade uses as much as 10 percent less electricity than the same unit operating in the sun.
- When shopping for appliances, look for the Energy Star® label and purchase the most energy-efficient unit you can afford.

For more information on how to reduce your energy costs year-round, visit www.pecosummer.com.

Use energy wisely with PECO's new EasySave Energy Kit

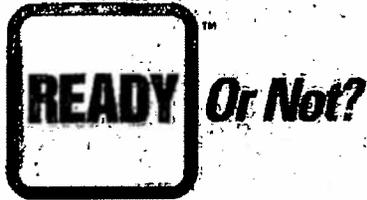
Just a few easy changes at home can save you money on your annual energy costs. Stay cool and save money all summer long with PECO's EasySave Energy Kit.

Each kit contains:

- **ENERGY STAR® 60, 75 and 100 watt equivalent EARTHBRITE Compact Fluorescent Bulbs (CFL):** Each CFL uses about 75% less energy than standard incandescent light bulbs and can last up to 9 years.
- **Filter Whistle:** This handy device snaps onto filters in central cooling or heating systems. As dust collects, the whistle will remind you that it is time to change the filter, keeping your system as energy efficient as possible.
- **Low Voltage Night Light:** This flat plug-in night light uses only 31 cents of electricity a year, saving you about \$9.
- **Refrigerator/Freezer Thermometer:** Many refrigerators are set colder than necessary and are wasting electricity. Knowing the proper setting for your appliance will help you save money.
- **Switch and Outlet Insulators:** Lack of insulation lets warm air enter your home and makes your cooling system work harder. These easy to install insulators go behind light switch plates and outlets to help seal up your home.



These items alone can help you save about \$40 a year and nearly \$400 during the life of the products.



During the summer, our area can experience strong thunderstorms and even hurricanes. These storms can bring damaging winds and lightning, which can cause power outages. PECO prepares diligently for such storms and you can take steps to prepare as well.

If you lose power, PECO wants to hear from you. Keep our emergency number handy and call 1-800-477-7777 to report your outage. Your call is important to us so we understand the extent of damage from the storm.

Be ready with the following items: working flashlight and extra batteries, battery-powered clock, a telephone that operates without electricity, cordless home phones, work radio, during power outages, non-perishable foods and a hand-operated can opener, bottles of water and ice.

When the power is out after major storms, keep the refrigerator and freezer doors closed. Unless it is absolutely necessary to take something out, food in a fully loaded freezer will stay frozen for 36 to 48 hours. A half-full freezer will keep food frozen for 24 hours. Dry ice available at some grocery stores can help preserve frozen foods during an extended power outage, as well.

Please consider the special needs of family members and neighbors, especially infants and the elderly. They may need to relocate in the aftermath of severe storms. In worst case scenarios, it can take a few days to repair all storm damage and restore power for everyone.

Don't forget safety. Please remember to be careful and treat any downed wires as if they are live and dangerous. Notify PECO by calling.

For more information on being better prepared for emergencies, visit:

Take action for cleaner air

PECO supports the Air Quality Partnership, a coalition of businesses, industry, and government working together to reduce air pollution and improve air quality. The partnership focuses on reducing air pollution from ground-level sources and mobile pollution.

- Drive your car at home - use less gas, use carpooling.
- Walk or bike - it's clean and it's good for you.
- Trip-tink - get the wind to do the work, saving money and time.
- Don't "top off" your fuel tank - gas won't be added late in the day.
- Turn off your engine when stopped for a minute or more.
- Raise your thermostat in summer, lower it in winter.



For a daily air quality forecast or more information, visit the AQIP at www.airqualitypartnership.org. Administered by the Pennsylvania Department of Environmental Protection.



PECO EasySave Energy Kit

Order by mail or online only

Offer expires August 31, 2007

Order by mail: Complete and mail this form with a check for \$22.99 (\$19.99 kit plus \$3 S&H), payable to Niagara Conservation Corp., to:
Niagara Conservation Corp.
PO Box 506
Cedar Knolls, NJ 07927

Order online: Fast and easy! Order online today at www.pecosummer.com.

Delivery: Please allow for 3-4 weeks for delivery.

Questions (phone orders not accepted): Call Niagara Conservation at 1-800-831-8383 ext. 190 with questions about the PECO EasySave Energy Kit.

Name _____
Address _____
City _____
State _____ Zip _____ Phone _____
e-mail address (optional) _____



ENERGY STAR is a registered mark owned by the U.S. government

Questions? Comments? Concerns?

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energy@WORK



July 2007

READY Or Not?

During the summer, our area can experience strong thunderstorms and severe hurricanes. These storms can bring damaging winds and lightning, which can cause power outages. PECO prepares diligently for such storms and you can take steps to prepare as well.

- If you lose power, PECO wants to hear from you. Keep our emergency number handy and call 1-800-4-PECO to report your outage. Your call is important to us so we understand the extent of damage from the storm.
- Have at least one working analog phone with a separate dedicated line. In a power outage, digital/electrical phones will not work.
- Protect your electronics with surge protection devices and make sure you have proper grounding of power, telephone and cable systems.
- Consider what precautions your office or business may need to take if storms cause power outages for an extended period of time.
- Don't forget safety. Please remember to be careful and treat any downed wires as if they are live and dangerous. Notify PECO by calling 1-800-4-PECO.

For more information on being better prepared for emergencies, visit www.peco.com/emergency

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Only **\$19.99**
per kit plus \$3 shipping and handling
Retail Value \$30



These items alone can help you save about \$40 a year and nearly \$400 during the life of the products.

To order, visit www.peco.com/emergency or call 1-800-4-PECO.