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August 8, 2012

Pennsylvania Public Utility Commission
Office of Administrative Law Judge
Eranda Vero
801 Market Street
Philadelphia, Pa 19107

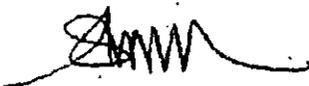
RE: Anita O'Shea v. PECO Energy Company
Docket No. F-2012-2298262
Date of Hearing: Wednesday, August 8, 2012 @ 10:00 a.m.

Dear ALJ Vero:

Enclosed please find PECO's replaced exhibit 8. By copy of this letter, I am sending a copy of these documents to the Complainant.

Please call my direct dial number if you have any questions regarding this case.

Very truly yours,



Shawane Lee
Counsel for PECO Energy Company

SL/lo
Enclosures

cc: Anita O'Shea

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removed from CAP Rate. A letter informing the customer of removal is then sent and the customer will be placed back on the appropriate residential rate.

If the re-certification process is not completed within 45 days after the re-certification date, the customer will lose the benefit of the CAP Rate discount and be returned to standard rates. If that occurs, a CAP Rate removal letter will be mailed to the customer advising the customer they no longer qualify for the discounted rate. The account will then be removed from the CAP Rate and returned to standard residential rates. This process implements the findings of the Commission's Bureau of Audits in Docket No. D-03SPA010 (auditing PECO's Universal Services Fund Charge for the year ended December 31, 2003).

5. Pre-program Arrearages. PECO's arrearage forgiveness component is a key element to achieve the goal of improving customer payment. PECO will forgive all pre-program arrearages (the delinquency before CAP Rate) if the customer pays his/her CAP Rate bill on time each month. This removes the weight of a potentially large obligation for a financially challenged customer, while providing the basis of a sound payment history. The requirement to pay the bill monthly is intended to establish a positive payment history for the customer enabling them to remain current or out of the collection process. This process was enhanced in the Gas Base Rate case and Three-Year Plan Settlements so that, beginning April 1, 2009, payments will count towards meeting the forgiveness goal on a twelve month pro rata basis. For each month in which the CAP customer pays their bill in full and on time, one-twelfth of their pre-program arrearage will be forgiven. The forgiveness component is intended to provide a fresh start for the customer and allowing the customer to begin timely payments under a reduced rate. A CAP customer will be eligible for preprogram arrearage forgiveness only once as a PECO customer.

6. CAP Rate program arrearages: Every PECO customer is subject to PECO's credit and collection policy, which includes termination. CAP customers, pursuant to provisions in chapter 14 are not subject to termination between December 1st and April 1st. Customers who accumulate CAP Rate program arrearages will be offered a payment agreement. Customers with payment agreements will be placed on a budget if they are in CAP tiers A, B or C. The budget payment is encouraged but not required for customers in CAP tiers D & E.

7. Dismissal from CAP Rate: Customers may be dismissed from CAP Rate for the following reasons; over income guidelines, failure to meet program requirements, failure to accept program services, failure to submit to a LIURP audit, failure to complete the recertification process, fraud, theft of service, or other misappropriations of service.

8. Policies for Fraud, Theft of Service and Other Misappropriations of Service: PECO will conduct an investigation of any CAP Rate account if it becomes aware of the potential of fraud, theft of service or other misappropriations of service. In the course of reviewing CAP Rate applications for enrollment or re-certification, action