

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for Approval :
of (1) A Process to Procure Alternative Energy :
Credits During the AEPS Banking Period and : P-00072260
(2) A Section 1307 Surcharge and Tariff to :
Recover AEPS Costs :

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PREHEARING ORDER #3

DOCKETED
JUL 3 - 2007

On June 25, 2007, two Stipulations were filed and served in this proceeding. The first (Stipulation #1) between petitioner PECO Energy Company (PECO) and the Office of Small Business Advocate (OSBA) resolved the factual issues raised by OSBA witness Kalcic in his prepared direct testimony. As a result, PECO agreed to file a revised Request for Proposals (RFP). The other (Stipulation #2) was signed by PECO, OSBA, the Office of Consumer Advocate (OCA), the Office of Trial Staff (OTS), the Philadelphia Area Industrial Energy Users Group (PAIEUG) and Citizens for Pennsylvania's Future (PennFuture), all of the parties in this proceeding.

As the result of the agreement of the parties contained in Stipulation #2, I will cancel the hearing scheduled for July 11, 2007, admit the following Stipulations, statements and exhibits into the record, and establish a revised briefing schedule. It should be noted that all of the briefing directives contained in Prehearing Order #2, dated May 4, 2007, to the extent not revised by this Order, remain in effect.

THEREFORE,

IT IS ORDERED:

1. That the hearing scheduled for July 11, 2007 be cancelled;

2. That the following be admitted into the record of this proceeding:
 - A) PECO St. 1, the direct testimony of John J. McCawley, P.E., PECO Energy Company, Director, Energy Acquisition, along with Exh. 1.1 (including the revised Request for Proposals);
 - B) PECO St. 2, the direct testimony of Alan B. Cohn, PECO Energy Company, Manager, Revenue Analysis, Retail Rates, along with Exhs. 2.1 through 2.4;
 - C) PECO St. 3, the direct testimony of Dr. Susan F. Tierney, PhD, Analysis Group, Inc., Managing Principal;
 - D) OSBA St. 1, the direct testimony of Brian Kalcic, Excel Consulting, Principal, along with Appendix;
 - E) Stipulation #1, signed by PECO and OSBA; and
 - F) Stipulation #2, signed by PECO, OSBA, OCA, OTS, PAIEUG and PennFuture;

3. That within five business days of this order, each party shall file with the Secretary of the Commission two copies of their exhibits as identified above;

4. That briefs shall be filed and served on the following dates: Main Briefs on or before July 13, 2007 and Reply Briefs on or before July 27, 2007;

5. That the issues addressed in the briefs be limited to the following:
- (i) Whether Section 3(e)(7) of the Alternative Energy Portfolio Standards Act of 2004 (“AEPS” or “Act”) provides that credits from a Tier 1 or Tier 2 source, in order to be bankable, must be associated with electricity in amounts that exceed the electricity from all Tier 1 and Tier 2 sources sold to retail customers during the 12-month period immediately preceding the effective date of the Act by the electric distribution company seeking to bank the credits;
 - (ii) Whether Section 3(e)(7) of the Act also requires electric distribution companies seeking to bank alternative energy credits to establish that the associated electricity will be (or was) delivered *and sold to retail customers within the Commonwealth of Pennsylvania*; and
 - (iii) Whether the Commission should approve, as part of this proceeding, PECO’s proposed Section 1307 AEPS cost recovery mechanism or, instead, defer consideration of such mechanism until a future proceeding when PECO submits, for the Commission’s review and approval, its proposed default service implementation plan; and
6. That the record be closed upon receipt of the reply briefs on July 27, 2007.

Date: June 26, 2007


MARLANE R. CHESTNUT
Administrative Law Judge