



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

August 25, 2022

MS. AMY NEUFELD
PECO ENERGY COMPANY
2301 MARKET STREET
PHILADELPHIA, PA 19101
Amy.Neufeld@exeloncorp.com

RE: Management and Operations Audit
PECO Energy Company
D-2021-3023906

Dear Ms. Neufeld:

The Commission appreciates the cooperation extended by the officers and employees of the PECO Energy Company (Company) to our Bureau of Audits' staff during the recent Management and Operations Audit. We seek the Company's further cooperation in implementing the recommendations cited in the audit report.

As you know, the staff analyzed and evaluated management performance in twelve functional areas at the Company during the audit. Staff identified three areas as needing moderate improvement (see Chapters: V – Affiliated Interests and Cost Allocations, VII – Electric Operations, and VIII – Gas Operations) and three areas needing minor improvement (see Chapters: IX – Emergency Preparedness, XI – Customer Service, and XIV – Human Resources and Diversity). These areas offer the potential for increased effectiveness and/or reduced costs and should be the focus of the Company's implementation efforts.

At its Public Meeting of August 25, 2022, the Commission acknowledged receipt of PECO Energy Company's August 10, 2022 Implementation Plan and released it, along with the audit report, to the public. The Commission notes that the Company's Implementation Plan indicates acceptance of 19 and partial acceptance of three recommendations. Receipt of this Implementation Plan does not constitute acceptance by the Commission of the actions already taken, those actions to be taken, or any explanations and cost/benefit analyses provided. The Company's implementation actions, together with the explanations and analyses, will be reviewed by the Commission at a later date.

Accordingly, the Commission directs PECO Energy Company to:

- Proceed with the August 10, 2022 Implementation Plan, and
- Submit implementation progress reports annually, by September 1st, for the next three years.

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The Commission's direction to proceed with the Implementation Plan should not be construed as approval of the plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is fluid and cursive, with the first name being the most prominent.

Rosemary Chiavetta
Secretary

Contact Person: John Clista
(717) 772-0317