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June 25, 2013

VIA EFILE

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
Harrisburg, PA 17120

**Re: Use of Fixed Price Labels for Products with a Pass-Through Clause
Docket No. M-2013-2362961**

Dear Secretary Chiavetta:

Enclosed please find PECO Energy Company's Comments on the Commission's Tentative order on the above referenced case.

Sincerely,

A handwritten signature in dark ink, appearing to read "MSS", is written over the typed name and title of Michael S. Swerling.

Michael S. Swerling
Assistant General Counsel

MSS/adz
Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

USE OF FIXED PRICE LABELS FOR :
PRODUCTS WITH A PASS-THROUGH : **Docket No. M-2013-2362961**
CLAUSE :

**COMMENTS OF PECO ENERGY COMPANY
ON THE COMMISSION’S TENTATIVE ORDER**

I. INTRODUCTION

On May 23, 2013, the Pennsylvania Public Utility Commission (the “Commission”) entered a Tentative Order in Docket No. M-2013-2362961. The Tentative Order aims to remove/reduce customer confusion over fixed price contracts with pass-through clauses. In support of this goal, the Commission posed possible solutions for comment by interested stakeholders. Those solutions consisted of:

1. Ban the Use of Fixed Price Label – “Fixed Means Fixed” – Electric generation suppliers (“EGSs”) could not offer a fixed price with a pass-through clause.
2. Revise Definition of Fixed Price and Establish Variety of Parameters – The definition of Fixed Price could be revised to inform customers that additional pass-through costs may be included.
3. Create a Third Option – Long-Term Energy Price – This option would fix the energy price for a set period. All other billing components would be subject to variability (similar to how large commercial and industrial deals operate).
4. Create a Third Label – Price with Pass-Through Clause – Instead of labeling the option as fixed or variable, the offer would have a set price with additional components that are subject to change (similar to how cellular phone deals work).

PECO Energy Company (“PECO” or the “Company”) commends the Commission for taking steps to reduce/remove customer confusion surrounding fixed price options with pass-through clauses. The Commission is correct to try and make fixed price offers more transparent

and fairer to customers. Accordingly, PECO requests that the Commission incorporate the following comments:

II. COMMENTS

A. Fixed Prices Should Not Include Additional/Variable Charges

An offer cannot be fixed if it has components that can vary. Doing so may confuse customers and lead to inquiries/disputes when the additional charges are realized. If an offer intends to contain billing components that are not preset, the offer should not be called a fixed offer. As such, PECO supports ceasing the use of “fixed price” labels for offers with pass-through clauses.

B. Proper Boundaries Should be Established for Pass Through Clauses

While PECO believes that offers with pass-through clauses should not contain a fixed price label, it understands that pass-through clauses can exist within proper boundaries. Utilizing the *Price With a Pass-Through Clause* option (similar to cellular phone, cable and internet plans) best furthers the Commission’s goal of eliminating/reducing confusion. Having a plan price set for a specific period (that incorporates other fee or tax components subject to change) is already an acceptable approach used by the telecommunications industry. Since an acceptable model already exists, PECO recommends using it instead of creating a new approach, which may add to customer confusion, inquiries and disputes.

C. Customer Education and Dispute Resolution

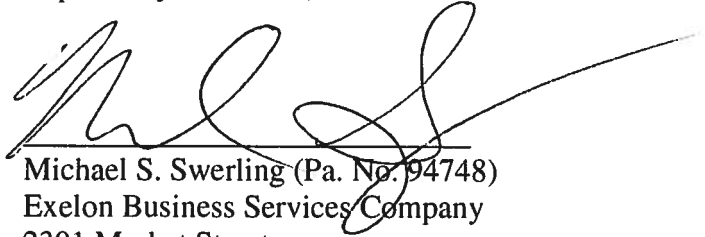
PECO believes that EGSs should educate shopping customers about their offers that contain pass-through clauses, so customers know which billing components may change. PECO

also believes that the education process involves addressing questions and complaints shopping customers may have related to these pass-through clauses.

III. CONCLUSION

PECO appreciates the opportunity to comment on this important matter and requests that the Commission favorably consider and adopt these comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'MSW', is written over a horizontal line. The signature is fluid and cursive.

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For PECO Energy Company