**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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| **PETITION OF PECO ENERGY COMPANY FOR APPROVAL OF ITS ACT 129 PHASE III ENERGY EFFICIENCY AND CONSERVATION PLAN** | : | **DOCKET NO. M-2015** |

**PETITION OF PECO ENERGY COMPANY FOR APPROVAL OF ITS ACT 129 PHASE III ENERGY EFFICIENCY AND CONSERVATION PLAN**

## I. INTRODUCTION

PECO Energy Company ("PECO" or the "Company") hereby petitions the Pennsylvania Public Utility Commission (the "Commission") for approval of the Company's Phase III Energy Efficiency and Conservation Plan ("Phase III Plan" or "Plan") to achieve energy and demand savings in accordance with the requirements of Act 129 of 2008, 66 Pa.C.S. § 2806.1 ("Act 129" or the "Act") and the Commission's Implementation Order entered June 19, 2015 at Docket No. M-2014-2424864 (the "*Phase III Implementation Order*").[1] Specifically, PECO requests that the Commission: (1) find that the Phase III Plan satisfies the requirements of 66 Pa.C.S. § 2806.1(b)(1) and the *Phase III Implementation Order*, including those provisions mandating the implementation of programs designed to achieve the peak demand reduction and consumption reduction targets established for PECO and the energy savings carve-outs for the governmental, educational and non-profit ("G/E/NP") and low-income customer sectors; and (2) approve a supplement to PECO's Electric Service Tariff to implement a Section 1307 surcharge to recover Phase III Plan costs.

The Phase III Plan reflects a transition to a more customer-centric design and implementation strategy, which is intended to improve overall customer experience by: (1)

[1] The proposed Phase III Plan is attached hereto as PECO Exhibit No. 1.

offering meaningful incentives to implement savings opportunities across all electric end-uses; (2) delivering those opportunities to customers through multiple "pathways"; and (3) providing customers with the flexibility to pursue whichever savings opportunities best meet their unique needs.

After a thorough plan development process, PECO is proposing five energy efficiency ("EE") programs and three demand response ("DR") programs designed to satisfy the Company's Phase III energy and demand savings targets, stay within applicable cost limitations, and increase customer access to energy saving opportunities. PECO's proposed EE portfolio is comprised of the following five EE programs: (1) Residential (excluding low-income); (2) Low-Income; (3) Small Commercial and Industrial ("C&I"); (4) Large C&I; and (5) Combined Heat and Power ("CHP"). The Company is also expanding DR opportunities for residential customers, maintaining its successful direct load control ("DLC") program for small C&I customers, and adding a new DR program for large C&I customers. The Plan describes each program in detail, consistent with the content and formatting requirements of the filing template issued by the Commission on September 22, 2015 at Docket No. M-2014-2424864 (the "*Filing Template Letter*"). In keeping with PECO's practice for its Phase I and Phase II plans, PECO has met with interested stakeholders both individually and collectively to discuss the design framework for the Phase III Plan proposed in this Petition. To date, those stakeholders have been supportive of the Company's proposed Phase III Plan design.

The Company estimates that its EE programs will produce a total of 2,100,875 MWh in energy savings over the course of the Phase III Plan (PY 2016-2020), or 107% of PECO's overall energy savings target. PECO's DR programs are projected to produce an annual average potential peak demand savings of 171 MW for PY 2017-2020 or 106% of PECO's peak demand reduction target.

## II. BACKGROUND

1. PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal office in Philadelphia, Pennsylvania. PECO provides electric delivery service to approximately 1.6 million customers and natural gas delivery service to more than 506,000 customers in Pennsylvania.

2. On October 15, 2008, then Governor Edward G. Rendell signed into law Act 129, which, among other things, added Section 2806.1 to the Pennsylvania Public Utility Code. The applicable provisions of Act 129 required Pennsylvania electric distribution companies ("EDCs") to file energy efficiency and conservation ("EE&C") plans by July 1, 2009 containing the plan elements specified in Section 2806.1(b) ("Phase I EE&C Program").[2] 66 Pa.C.S. § 2806.1(b). Additionally, Sections 2806.1(c) and (d) required that EDCs' Phase I EE&C plans be designed: (1) to reduce retail energy consumption by a minimum of 1% by May 31, 2011 and a minimum of 3% by May 31, 2013; and (2) to reduce peak demand, measured by reference to the 100 highest hours of demand, by a minimum of 4.5% no later than May 31, 2013. 66 Pa.C.S. § 2806.1(c) and (d).

3. The EE&C plan filing requirements set forth in Section 2806.1(b) included provisions mandating that energy savings be derived from certain customer segments during Phase I. Specifically, a minimum of 10% of an EDC's consumption reductions had to be obtained from the G/E/NP sector. 66 Pa.C.S. § 2806.1(b)(1)(i)(B). In addition, each EDC's Phase I plan was to include specific energy efficiency programs for households with income at or

[2] 66 Pa.C.S. § 2806.1(l) exempts EDCs with fewer than 100,000 customers from this requirement.

below 150% of the Federal Poverty Income Guidelines ("low-income sector") that are proportionate to such households' share of the total energy usage in the EDC's service territory. *Id.* at § 2806.1(b)(1)(i)(G). Finally, an EDC's plan had to pass a "total resource cost" or "TRC" test to determine whether the avoided cost of supplying electricity is greater than the cost of a plan's energy efficiency and conservation measures. 66 Pa.C.S. § 2806.1(b)(1)(i)(I); *2016 Total Resource Cost (TRC) Test*, Docket No. M-2015-2468992 (Order entered June 22, 2015).

4. Pursuant to the Act, EDCs are entitled to full and current cost recovery of prudent and reasonable costs, including administrative costs, but annual plan expenditures are limited to 2% of the EDC's total annual revenue as of December 31, 2006. 66 Pa.C.S. §§ 2806.1(g), (k).

5. In compliance with Section 2806.1 and the Commission's Order entered January 15, 2009 at Docket No. M-2008-2069887, implementing that section, PECO prepared and submitted its EE&C plan for the Phase I EE&C Program on July 1, 2009. The Commission subsequently approved PECO's Phase I Plan, with modifications, on October 28, 2009. *See Petition of PECO Energy Company for Approval of its Act 129 Energy Efficiency and Conservation Plan and Expedited Approval of its Compact Fluorescent Lamp Program*, Docket No. M-2009-2093215. Certain revisions were adopted in subsequent orders.

6. Act 129 further required the Commission, by November 30, 2013, to evaluate the costs and benefits of the Phase I EE&C Program. If the benefits of the Program were found to exceed its costs, the Commission was directed to adopt "additional required incremental reductions in consumption" and "additional incremental requirements for reduction in peak demand." 66 Pa.C.S. §§ 2806.1(c)(3) and (d)(2).

7. On August 3, 2012, the Commission entered its *Phase II Implementation Order*, adopting EDC-specific targets for reducing energy consumption for the next EE&C Program

term (June 1, 2013-May 31, 2016). *See Energy Efficiency and Conservation Program,* Docket Nos. M-2012-2289411 and M-2008-2069887 (Order entered August 3, 2012) *("Phase II Implementation Order"),* p. 24. PECO's Phase II consumption reduction target was set at 2.9% of its expected sales for the June 1, 2009 through May 31, 2010 period. *Id.* at 23-24. The Commission directed EDCs to continue to comply with the statutory requirements established for Phase I, namely that: (1) 10% of an EDC's consumption reduction requirement come from the G/E/NP sector; and (2) a plan's portfolio of measures include a proportionate number of low-income measures. *Id.* at 45, 53-54. In addition, the Commission adopted a new requirement -- that EDCs obtain a minimum of 4.5% of their consumption reduction requirement from the low-income sector. *Id.* at 54.

8. The Commission did not establish any Phase II peak demand reduction requirement in its August 3, 2012 Order because, at that time, it did not have enough information to determine the cost-effectiveness of the Phase I peak demand reduction programs. The Commission did, however, allow EDCs to voluntarily offer cost-effective DR programs during Phase II. *Id.* at 33, 42.

9. Consistent with the *Phase II Implementation Order*, PECO submitted a Phase II Plan that was approved by the Commission on February 28, 2013. Thereafter, a voluntary DR program was added to the Phase II Plan on May 9, 2013. *See Petition of PECO Energy Company for Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan*, Docket No. M-2012-2333992.

10. In its *Phase III Implementation Order*, the Commission established both consumption reduction and peak demand reduction targets for the five-year plan period June 1, 2016 through May 31, 2021. For PECO, the consumption reduction target is 1,962,659 MWh

(5.0% of the 2009/2010 forecast baseline) over the five-year term of the Phase III Plan. A minimum of 5.5% of each EDC's total consumption reduction target must be obtained from the low-income sector[3] and at least 3.5% of the overall target must be obtained from the G/E/NP sector. EDCs must offer at least one comprehensive program for residential customers and one comprehensive program for non-residential customers. PECO's demand reduction target for the four-year period June 1, 2017 through May 31, 2021 is an average annual potential savings of 161 MW.[4]

11. On September 22, 2015, the Commission issued the *Filing Template Letter*, which included an EE&C plan template for use by EDCs in preparing and filing their EE&C Plans for Phase III.

12. This Petition describes PECO's Phase III Plan and the proposed mechanism for recovery of Plan costs and includes the following statements and exhibits, which are attached hereto and incorporated herein by reference:

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| **PECO Statement No. 1** | Direct Testimony of Kathleen A. Lentini, Director of Energy and Marketing Services for PECO |
| **PECO Statement No. 2** | Direct Testimony of Nicholas DeDominicis, Manager of Evaluation, Measurement and Verification for PECO |
| **PECO Statement No. 3** | Direct Testimony of Toben E. Galvin, Director in the Energy Practice at Navigant Consulting, Inc. |
| Exhibit TEG-1 | Resume of Toben E. Galvin |

[3] Savings counted towards the 5.5% target may only come from specific low-income programs or low-income verified participants in multi-family housing programs. *Phase III Implementation Order*, p. 69.

[4] EDCs are not required to obtain peak demand reductions in the first program year (PY 2016) of Phase III. *Phase III Implementation Order*, p. 35.

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| **PECO Statement No. 4** | Direct Testimony of Richard A. Schlesinger, PECO's Manager of Retail Rates |
| Exhibit RAS-1 | Proposed Supplement Setting Forth Revisions to PECO's Electric Service Tariff (Clean and Redline) |
| Exhibit RAS-2 | Program Costs by Rate Class |
| Exhibit RAS-3 | Calculation of the Cost Recovery Charges by Rate Class for the First Year of PECO's Phase III EE&C Plan |
| Exhibit RAS-4 | Responses to the Commission's Filing Requirements at 52 Pa. Code § 53.52 |
| **PECO Exhibit No. 1** | PECO Phase III Energy Efficiency and Conservation Plan (Program Years 2016-2020) |
| Appendix A | PECO Electricity Consumption Forecast |
| Appendix B | CSP Contracts |
| Appendix C | Program by Program Savings and Costs for Each Program Year |
| Appendix D | Calculation Methods and Assumptions |
| Appendix E | Measure Level Details |
| Appendix F | Exhibits RAS |
| Appendix G | Glossary |

## III. PROGRAMS PROPOSED FOR PECO'S PHASE III PLAN

13. As described in detail in the Plan and in the testimony of Ms. Lentini and Mr. Galvin, PECO leveraged its implementation experience with its Phase I and Phase II programs and conducted an extensive development process to identify and design the programs that should be included in its Phase III Plan. This process included the following key components:

- **Planning and Design Meetings**. After reviewing the requirements of the *Phase III Implementation Order* and the "lessons learned" from implementing the Phase

I and Phase II plans, PECO developed design principles that were focused on both compliance and improving customer experience.

- **Design Data Verification**. PECO developed a library of potential measures and reviewed and updated key metrics, such as estimated savings, to make sure they were consistent with the most recent Technical Reference Manual.
- **Design Market Characterization**. To better understand the opportunities and constraints of its service territory, PECO gathered market information from Phase II evaluation reports, benchmarking analysis, the Statewide Evaluator's baseline and market potential studies and the Company's baseline and potential studies.
- **Portfolio Modeling**. PECO conducted iterative portfolio modeling of possible measures, participation levels and costs.

14. As previously noted, PECO's Phase III Plan includes specific EE programs for the following five customer segments: (1) residential (excluding low-income); (2) residential low-income; (3) small C&I; (4) large C&I; and (5) CHP. As discussed in detail by Ms. Lentini in her testimony, the comprehensive programs are designed to give customers the flexibility to pursue the opportunities that best match their needs. The EE programs have several additional features that are intended to facilitate energy savings across all end-uses and improve customer experience:

- **Use Of Customer Pathways**. Within each EE program, measures will be implemented through one of four delivery pathways that reflect the various ways that a customer may take advantage of EE opportunities: (1) retail (e.g., lighting rebates at a hardware store); (2) participant-initiated (e.g., customers who pursue energy savings directly and apply for rebates through PECO); (3) direct-action (e.g., a CSP picking up an appliance for recycling); and (4) trade ally (e.g., a contractor implementing measures during major renovations).

- **Improved Rebate Structure**. As explained in the testimony of Mr. DeDominicis, PECO has modified its rebate structure to better incentivize the implementation of measures with greater incremental cost and a longer payback period.

- **New Measures**. PECO has added approximately 35 new EE measures for residential customers and 40 for non-residential customers to broaden customer opportunities for savings.

- **Special Emphasis On Unique Building Types**. PECO's EE programs will specifically target eligible multifamily properties to make it easier for customers living in those properties to implement a diverse array of measures and thereby benefit from energy savings. PECO's Small C&I and Large C&I EE programs will also specifically target data centers because of their unique energy usage characteristics and growing presence in PECO's service territory.

15. Consistent with the *Phase III Implementation Order*, at least 5.5% of PECO's total consumption reduction target will be obtained from the low-income sector and at least 3.5% of the overall target will be obtained from the G/E/NP sector. In fact, the Company is projecting that 13% of overall Plan savings will be obtained from the G/E/NP sector and 6% from the low-income sector.

16. Below is a summary of the EE programs, which are described in detail in Section 3 of PECO's Plan and in the testimony of Mr. DeDominicis. Each program contains a tailored set of "Solutions" which are groupings of related measures.

**A.** **Residential EE Program**. The Residential Program is designed to offer customers opportunities to save energy across all their electric end-uses and to market those opportunities in a way that minimizes lost savings opportunities. Program measures are bundled into the following Solutions: (1) Lighting, Appliance and HVAC Solutions (providing cash rebates and upstream discounts for efficient products); (2) Residential New Construction Solutions (promoting the design and construction of energy efficient homes); (3) Whole Home Solutions (providing energy audits and direct installation of measures); (4) Appliance Recycling Solutions (providing pick up of energy wasting appliances); and (5) Behavioral Solutions (development and mailing of Home Energy Reports to compare customer usage to similar households).

**B.** **Low-Income EE Program**.[5] Program measures are bundled into the following Solutions: (1) Lighting Solutions (providing enhanced cash rebates and upstream discounts for efficient products); and (2) Whole Home Solutions (providing energy audits and direct installation of measures as well as providing pick up and replacement of energy wasting appliances at no cost to the consumer). Low-income residential customers may also take advantage of the Solutions in the Residential EE Program.

**C.** **Small C&I EE Program**. The program is designed to provide small C&I customers, including customers in the G/E/NP sector, a diverse array of savings opportunities. Program measures are bundled into the following Solutions: (1) Equipment and Systems Solutions (providing cash rebates and upstream discounts for efficient products); (2) New Construction Solutions (promoting the design and construction of energy efficient buildings); (3) Whole Building Solutions (providing energy audits and direct installation of measures); and (4) Behavioral Solutions (development and mailing of Energy Reports to compare customer usage to similar businesses).

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[5] PECO estimates that it could achieve its 5.5% usage reduction target for low-income savings with a low-income EE program budget of $31 million. PECO's proposed low-income EE budget of $36.1 million is consistent with the Company's recent settlement of its Three-Year Plan proceeding in which it agreed to propose a budget with an additional $1 million annually to target the portion of the CAP population that has an income in the 0-50% of the federal poverty level and which has high usage. *See PECO Energy Company Universal Service and Energy Conservation Plan for 2013-2015 Submitted in Compliance with 52 Pa.Code §§ 54.74 and 62.4*, Docket No. M-2012-2290911 (Order entered July 8, 2015) (approving the Joint Petition for Settlement).

**D.** **Large C&I EE Program**. The program is designed to provide large C&I customers, including customers in the G/E/NP sector, meaningful savings opportunities across a variety of electric end-uses. Program measures are bundled into the following Solutions: (1) Equipment and Systems Solutions (providing cash rebates and upstream discounts for efficient products); and (2) New Construction Solutions (promoting the design and construction of energy efficient buildings).

**E.** **CHP EE Program**. The CHP Program is designed to facilitate the installation of energy-saving CHP systems by addressing financial and technical barriers associated with this technology. The program is open to both large C&I and small C&I customers (including customers in the G/E/NP sector and master-metered multifamily buildings). The program has three types of incentives that are distributed at key milestones in the life of a CHP project: (1) design incentives; (2) capacity incentives; and (3) performance incentives.

17. PECO's Phase III Plan also includes three DR programs: Residential, Small C&I, and Large C&I. Each DR program will require participants to reduce load during discrete DR events in June through September and will provide bill credits to customers who participate in such events. Below is a summary of the DR programs, which are described in detail in Section 3 of PECO's Plan and in the testimony of Mr. DeDominicis.

**A.** **Residential DR Program.** The Residential DR Program includes the DLC Solution, the Smart Thermostat Solution and the Behavioral Solution. Similar to the Company's Phase II residential Smart AC Saver Program, the DLC Solution provides a bill credit in exchange for allowing PECO to remotely cycle or shut down a customer's central air conditioning ("CAC") unit on short notice during DR events. The Smart Thermostat Solution provides a bill credit in exchange for allowing PECO to utilize Wi-Fi-enabled thermostats in customers' homes to reduce CAC usage by increasing the set temperature during DR events. The final Solution, Behavioral, will alert participating customers with an Advanced Metering Infrastructure ("AMI") meter the day before a DR event, suggest load curtailment actions, and provide a bill credt to customers who reduce demand during the event.

**B.** **Small C&I DR Program.** The Small C&I DR Program will offer customers a DLC Solution that is similar to the Company's Phase II small C&I Smart AC Saver Program. During a DR event, PECO will remotely cycle or shut off a customer's CAC unit on short notice to reduce demand.

Participants receive a bill credit for allowing PECO to control their equipment.

C. **Large C&I DR Program.** The Large C&I DR program will use DR aggregators to engage customers in demand reduction activities. When PECO calls a DR event, the aggregators will relay the information directly to their enrolled large C&I customers. Those customers will then reduce their electric load by a specified amount for the duration of the event in exchange for financial incentives.

18. As required by Act 129, PECO has applied the TRC test to the Phase III Plan as a whole. It also applied the TRC test to each proposed program. PECO's Plan has an overall TRC score of 1.4, demonstrating significant benefits to PECO's customers compared to the total costs of the proposed energy efficiency and peak demand reduction measures. The projected energy savings, peak demand reductions, costs and TRC calculations are detailed in PECO's Plan and accompanying appendices.

19. Consistent with Act 129 and the Company's Phase I and Phase II Plans, CSPs will be responsible for program implementation, staffing, training and the tracking of programs and measures pursuant to CSP contracts.

20. As required by the *Phase III Implementation Order* (pp. 124-128), PECO will competitively bid and seek Commission approval of all CSP contracts. The Company proposes, however, to retain its existing, competitively-procured, data tracking CSP for the first program year of Phase III (PY 2016) to ensure that it can properly complete Phase II data collection and analysis. PECO intends to use PY 2016 to competitively select a new data tracking CSP and "debug" the new tracking platform so that all Phase III implementation CSPs can transition smoothly from PY 2016 to PY 2017.

21. As required by Act 129 (*see* 66 Pa.C.S. § 2806.1(b)(1)(i)(K)), PECO's Plan includes an analysis of its expected administrative costs as shown in Table C-4 of the Plan. Additionally, consistent with PECO's Act 129 obligations, the Plan includes an extensive set of quality assurance and performance mechanisms for evaluating the Plan on a continuous basis. Each of PECO's proposed programs has detailed evaluation, measurement and verification ("EM&V") requirements tailored to the program. PECO will be retaining the services of an experienced CSP to provide EM&V services, as well as a separate CSP to manage the Company's data tracking system for maintaining data and generating reports on each program. A description of PECO's overall approach to quality control and the anticipated tracking system functions are set forth in Sections 5 and 6 of the Plan.

## IV. THE PHASE III ENERGY EFFICIENCY AND CONSERVATION RECOVERY CHARGE

22. Act 129 provides that PECO is entitled to recover all reasonable and prudent EE&C plan costs, on a full and current basis, through a Section 1307 cost-recovery mechanism. 66 Pa.C.S. § 2806.1(k). The Commission previously directed that EDCs develop a separate cost recovery mechanism for each EE&C plan phase and that such mechanism be non-bypassable and not affect the EDCs' prices-to-compare. *See Phase II Implementation Order*, p. 118. For Phase III, the Commission also directed that: (1) Phase III charges should be calculated to recover projected program costs and be adjusted annually to reflect over- or under-recoveries; (2) an EDC's charges for Phase II and Phase III should be combined into a single surcharge; and (3) EDCs must account for Phase III costs and revenues separately from Phase II costs and revenues. *See Phase III Implementation Order,* p. 149; *Filing Template Letter*, Template Section 7.6.

23. In accordance with the foregoing directives, PECO is proposing to implement a Phase III Energy Efficiency & Conservation Program Charge ("Phase III EEPC") to recover Plan costs. The mechanism follows the same format as the Company's existing EEPC, which recovers costs associated with PECO's Phase II Plan, but incorporates the revisions required by the *Phase III Implementation Order*. The Phase III EEPC would be a fully reconcilable, non-bypassable charge in accordance with the Act and previous Commission orders.

24. The Phase III EEPC will recover all of the fixed capital costs (depreciation and pre-tax return) and operating expenses, not otherwise recovered in base rates, to design and implement the EE and DR programs incorporated in PECO's Phase III Plan. These costs include, among others, the cost of information technology ("IT") needed to design and implement the programs; the costs of customer outreach and program promotion; incremental labor costs incurred to manage and administer the programs on an ongoing basis; the cost to measure and verify program results; and the cost of incentives offered to customers to participate in the approved programs. PECO also proposes to recover its Phase III Statewide Evaluator costs through the Phase III EEPC.

25. A separate recovery charge will be established for each customer class, corresponding to the costs of the programs that target that class. This ensures that the classes that receive the direct benefits of particular EE and DR measures finance those same measures. For programs that provide benefits to more than one class, costs will be allocated using reasonable and generally accepted cost-of-service principles. Consistent with the Company's Phase I and Phase II EEPC, portfolio-wide common costs will be allocated based on the percent of program spend per rate class to total Phase III Plan spend. Mr. Schlesinger's testimony includes an estimate of the proposed charges for each customer class.

26. Consistent with the *Phase III Implementation Order* (p. 149), the Phase III EEPC will be developed based on projected plan costs for the coming year. Thereafter PECO will reset the charge annually to recover the projected Plan costs for the then-upcoming plan year and the appropriate adjustment to reconcile and true-up revenues and the previous program year's actual costs. No interest will accrue with respect to either over- or under-recoveries, consistent with the Commission's directive in the *Phase III Implementation Order*. PECO also proposes to combine its Phase II EEPC and Phase III EEPC into a single surcharge and a single tariff provision with the implementation of its Phase III EEPC, as also directed by the Commission.

27. Finally, PECO will comply with the Commission's directive to separately account for Phase III costs and revenues by setting up new general ledger accounts for Phase III costs and revenues. Phase I and Phase II costs and revenues are currently tracked through similar, separate accounting measures. Thus, there will be no comingling of Phase III and prior Phase costs or revenues in PECO's accounting records. Phase I and Phase II costs and revenues will also be clearly identified and tracked separately for purposes of the EEPC. This will allow Phase III costs to be reconciled against Phase III revenues billed under the EEPC.

## V. PROPOSED SCHEDULE

28. The Company proposes the following schedule for review of its Phase III Plan, which is consistent with the *Phase III Implementation Order*:

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| November 30, 2015 | Petition Filing |
| December 12, 2015 | Publication of Notice of Filing in *Pennsylvania Bulletin* |
| January 4, 2016 | Due Date for Answers/Comments/Recommendations |
| February 2, 2016 | Evidentiary Hearing |
| February 12, 2016 | Initial Briefs |

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| February 22, 2016 | PECO Reply Comments and/or Revised Plan |
| March 24, 2016 | Commission Order |

## VI. NOTICE

29. PECO is serving copies of this filing on the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, and all parties to the Company's Phase II EE&C Plan proceeding.

30. In addition, consistent with the *Filing Template Letter*, the Company will post a copy of its proposed Phase III Plan on PECO's website at: https://www.peco.com/CustomerService/RatesandPricing/RateInformation/Pages/Filings.aspx .

31. Should the Commission conclude that further notice of this filing is appropriate, PECO will provide such additional notice as directed by the Commission.

## VII. CONCLUSION

Based upon the foregoing, including the attached testimony and exhibits, PECO respectfully requests that the Commission grant this Petition and enter an Order:

(1) Approving PECO's Phase III Plan and finding that the Plan satisfies the requirements of 66 Pa.C.S. § 2806.1(b)(1) and the *Phase III Implementation Order*; and

(2) Approving the supplement to PECO's Electric Service Tariff to implement a Section 1307 surcharge to recover Phase III Plan costs.

Respectfully submitted,

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*Counsel for PECO Energy Company*

November 30, 2015

**VERIFICATION**

I, Kathleen A. Lentini, hereby declare that I am the Director of Energy and Marketing Services for PECO Energy Company; that, as such, I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Petition are true and correct to the best of my knowledge, information and belief; and that I make this verification subject to the penalties of 18 Pa.C.S. § 4904 pertaining to false statements to authorities.

Date: 11/24/2015

Kathleen A Lentini