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An Exelon Company

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PECO Energy Company  
2301 Market Street, 505-2  
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INDEPENDENT REGULATORY  
REVIEW COMMISSION

2463

July 16, 2007

The Honorable Arthur Coccodrilli  
Chairman  
Pennsylvania Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17101

Dear Chairman Coccodrilli:

I am writing on behalf of PECO Energy Company ("PECO") to respectfully request your support of the Pennsylvania Public Utility Commission's ("PUC") Default Service Regulations (IRRC Docket #57-237). PECO believes that the regulations represent a balanced approach to assisting retail customers to manage the transition from capped retail rates to competitively priced generation service in 2011. The PUC's final rules provide for utilities to purchase energy on behalf of customers with mitigation methodologies that should minimize rate increases in the first three years of the transition. Moreover, the rules enable retail customers to defer some portion of a rate increase during the first three years of the transition.

PECO believes that the PUC promulgated the regulations within its statutory authority and that the rulemaking is consistent with the legislative intent of the 1996 Competitive Generation Act. Therefore, we urge the Independent Regulatory Review Commission to adopt the regulations as promulgated by the PUC.

Thank you for your consideration. Please contact me if you have any questions or would like additional information.

Sincerely,

LC/jw