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March 2, 2015

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
Harrisburg, PA 17120

Dear Secretary Chiavetta:

RE: PECO Energy Company Comments on Tentative Order, Docket No. M-2014-2448824

Dear Ms. Chiavetta:

Enclosed for filing with the Commission please find the Comments of PECO Energy Company on the Commission's Tentative Order.

Sincerely,



Ward L. Smith
Assistant General Counsel
PECO Energy Company

/adz
Attachment

cc: Dan Mumford, Bureau of Consumer Services, via email
Patricia T. Wiedt, Law Bureau, via email

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Chapter 14 Implementation

Docket No. M-2014-2448824

**PECO Energy Company Comments
On
The Commission's January 15, 2015 Tentative Order**

On December 22, 2014, a new version of Chapter 14 of the Public Utility Code (66 Pa. C.S. §§ 1401-1419), became law. On January 15, 2015, the Commission issued a Tentative Order requesting comments on three issues related to implementation of the new law. PECO Energy Company ("PECO") is pleased to provide the following comments.

1. Form of medical certificate

On pages 3-5 of the Tentative Order, the Commission requests comments on various issues related to the "form of medical certificate" that will be utilized under the new law. PECO provides the following comments.

First, PECO agrees that the new law has added two new elements to the existing definition of a medical certificate: (a) It must be "in a form approved by the Commission;" and (b) Physician's assistants may now sign a medical certificate.

The "Physician's assistant" requirement is the only change that affects the information required in a medical certificate. PECO therefore respectfully suggests that existing medical certificates, with the

minor change of allowing signature by a physician's assistant, will fully implement the substantive changes to the definition of a medical certificate.

PECO has altered its existing medical certificate to allow signature by a physician's assistant. A copy is attached. PECO respectfully notes that this form, or one like it, meets the definition of a medical certificate – and has the substantial advantage of familiarity, for both PECO and health providers in its service territory. PECO therefore suggests that this form of medical certificate meets the requirements of the new definition of Chapter 56.

On page 4 of the Tentative Order, the Commission requests comment on whether utilities should accept letters from medical doctors, etc., in lieu of the utility's form of medical certificate. Any such letter would have to contain all of the information required by the regulations, or it would not constitute a valid medical certificate under the regulations. The required information is already outlined in the utility medical certificate form in easy-to-fill-in format. PECO cannot see any advantage to allowing medical certificates to come in the form of separate letters, which will inevitably – not in every case, but to some degree -- leave out some of the required data. Since the data must be included, whether it is the form developed by a utility or otherwise, there is no burden on the physician's office in requiring it to use the utility form, rather than a separate letter. PECO therefore respectfully suggests that utilities should only be required to accept medical certificates that are on the form developed by them and approved by the Commission.

2. Reporting of Medical Certificate Data

On pages 9-10 of the Tentative Order, the Commission requests comment on a six-point proposal regarding reporting medical certificate data. Below, PECO restates each point of the Commission's proposal, then provides comments on it.

Med Cert Reporting Proposal Point 1: At the conclusion of each calendar year, the utility shall count the number of medical certificates offered and/or accepted for the previous 12 months.

Med Cert Reporting Proposal Point 2: At the conclusion of each calendar year, the utility shall count the number of accounts that had a medical certificate offered and/or accepted for the previous 12 months.

PECO Comment on Points 1 and 2: The language of Chapter 14 speaks of certificates that are “submitted and accepted,” not “offered and accepted.” New Section 1410.1(4) states:

(4) The public utility shall report to the commission on an annual basis the number of medical certificates and renewals submitted and accepted in the service territory.

PECO believes that the phrase “submitted and accepted” should be read as “submitted by customers” and “accepted by the utility.” The process, at least as currently followed by PECO, typically follows this chronology:

- A customer calls PECO, verbally state the existence of a medical condition and submits a request for a medical certificate.
- PECO accepts that verbal claim and suspends termination activity for three days to allow the customer to obtain a written medical certificate from their physician’s office.
- For many customer – often over 50% of those who submit a verbal request -- no written medical certificate is ever submitted. In those cases, after three days PECO lifts the termination stay.
- For the remaining customers, a written medical certificate is submitted by the customer.
- PECO then evaluates the certificate for completeness and authenticity. If it meets standards in both of those areas, PECO accepts the written medical certificate and suspends termination for 30 days. If the certificate fails in one or both of those areas, PECO rejects it.

PECO has the ability to report:

- the number of verbal submissions/requests;
- the number of three-day suspensions granted in response to verbal requests (nominally the same as the number of verbal submissions/requests made);
- the number of written submissions/requests received;
- the number of written submissions/requests accepted; and
- the number of written submissions/requests denied.

As long as the Commission is clear on which of these data points it is requesting PECO to report; PECO can provide the requested information. PECO agrees that an annual submittal of the prior twelve months data meets this new statutory requirement.

Med Cert Reporting Proposal Point 3: The medical certificates shall be classified and reported as: number of initial medical certificates submitted and the number of initial medical certificates accepted; number of renewal medical certificates submitted; and number of renewal medical certificates accepted.

PECO Comment on Point 3: In individual account records, PECO can distinguish whether a given medical certificate is an initial medical certificate or a renewal – but primarily by reviewing account history to determine whether the medical certificate under review is the first medical certificate offered on a given balance. Thus, in analyzing any given account, PECO can determine the medical certificate status of the account.

However, because PECO has not previously been required to comprehensively report these medical certificate data, it has not coded medical certificates within each account as “initial vs. renewal.” And while PECO does have the ability to determine the total number of medical certificates – initial and renewal combined – that it has issued on a system-wide basis over a given period of time, it does not have an existing data query that distinguishes initial medical certificates from renewal medical certificates. PECO notes that new Section 1410.1(4) requires the reporting of “the number of medical

certificates and renewals” – but that requirement could be met by reporting certificates and renewals on a cumulative total basis. Given that PECO could not go back and “re-code” the information in its customer accounts to distinguish between initial and renewal certificates, PECO suggests that the Commission should not require utilities to segment those data for reporting purposes.

Med Cert Reporting Proposal Point 4: This data shall be submitted to the Commission’s Secretary under the docket number of this order by March 1 of the following year. An electronic courtesy copy shall be provided to the Director of the Bureau of Consumer Services at the same time.

Med Cert Reporting Proposal Point 6: Reporting shall begin, under these interim guidelines, with calendar year 2015 –the first annual report would be due to the Commission by March 1, 2016.

PECO Comment on Points 4 and 6: PECO agrees that a single annual filing date is appropriate. Filing dates at the end of calendar quarters tend to coordinate better with normal data collection activities, and PECO therefore suggests March 31, rather than March 1, as an appropriate filing date. PECO also suggests that the data filed on March 31, should be for the trailing calendar year ending on December 31. Finally, PECO suggests that this data reporting should be incorporated into the ongoing Section 231 data reporting, rather being filed directly in this docket.

Med Cert Reporting Proposal Point 5: The data shall be formatted per a specific spreadsheet format provided by the Commission. The Commission will provide this format by the end of calendar year 2015.

PECO Comment on Point 5: PECO agrees that the Commission should provide a common spreadsheet format that incorporates its resolution of the issues raised above (and any similar issues raised in the comments of other stakeholders). However, PECO must review the requested data points to make sure that its IT systems and inquiries support the specific data requested. If the systems cannot support the data request, PECO will need to determine whether an IT fix is possible and, if so, at what cost and timing. PECO respectfully requests that the Commission should provide its spreadsheet as soon as possible –and certainly well before the end of the year – to allow that analysis to occur.

3. \$10,000 Arrearage Reporting

On pages 5-9 of the Tentative Order, the Commission requests comment on a seven-point proposal regarding reporting medical certificate data. Below, PECO restates each point of the Commission's proposal, then provides comments on it.

Arrearage Reporting Proposal Point 1: Utilities shall examine all of their residential accounts (a "snapshot") at the conclusion of each calendar year. Any account with an arrearage at or exceeding \$10,000 at that time shall be reported to the Commission by March 1 of the following year.

Arrearage Reporting Proposal Point 4: Reporting should begin, under these interim guidelines, with calendar year 2015 –the first annual report would be due to the Commission by March 1, 2016.

Arrearage Reporting Proposal Point 6: Reports shall be filed with the Commission's Secretary under the docket number for this order. An electronic courtesy copy shall be provided to the Director of the Bureau of Consumer Services at the same time.

PECO Comments on Points 1, 4 and 6: PECO agrees that a single annual filing date is appropriate, and that a "snapshot" of data as of year-end is appropriate. Filing dates at the end of calendar quarters tend to coordinate better with normal data collection activities, and PECO therefore suggests March 31, rather than March 1, as an appropriate filing date. PECO also suggests that the data filed on March 31, should be for the trailing calendar year ending on December 31. With the medical certificate reporting, PECO suggested that the medical certificate data reporting should be incorporated into the ongoing Section 231 data reporting, rather being filed directly in this docket. For the arrearage reporting, however, PECO agrees that the complexity of the probable data points warrants a separate filing for the arrearage data in this docket. Notwithstanding that, the timing of the two data reporting efforts should be coordinated.

Arrearage Reporting Proposal Point 2: Each account reported should be identified to the Commission with a unique label that the utility can match to the account in question. Customer names, addresses, account numbers or other information that could be used to identify the customer shall not be included.

PECO Comments on Point 2:

PECO agrees that customer privacy will be protected by the use of unique labels that can be matched to the account in question, but which do not identify the account. PECO requests that the Commission allow utilities latitude to use unique labelling systems that coordinate best with their IT systems.

Development of such unique labeling systems cannot be pursued until all data collection issues are resolved (see below), and therefore are likely to be one of the last issues resolved as utilities work toward final reporting protocols.

Arrearage Reporting Proposal Point 3: The information concerning each of the accounts shall include: account balance as of the time of the “snapshot” and the time period over which that arrearage accrued (in years or months). For that time period, the average monthly bill amount; number of Commission informal or formal complaints; and the number of company payment arrangements.

PECO Comments on Point 3:

- Account balance as of the time of the snapshot: PECO agrees that this is a reasonable reporting metric that acts as a gate to whether the account should be included in the report.
- The time period over which the arrearage accrued: In PECO’s experience, high delinquency accounts typically start to develop delinquencies very quickly upon opening. When that is not the case, it can be very difficult to determine “when” the arrearage accrued, short of a manual inspection of the history of the account to determine the last time, if ever, that the account had a \$0 balance. PECO therefore recommends that this data point simply be the time that the account has been opened. With that said, even that can be somewhat misleading, because an account may be open only a few months – but have an arrearage transferred to it from the customer’s prior address. This would make it appear that the customer account has been open only a short period of time, but has a high balance, when in fact the arrearage accumulated over a longer period of time. PECO does not have any method within its IT systems to “untangle” this issue on a systematic basis.

- Average bill: For the reasons noted above, PECO suggests reporting the average bill only for the last 12 months of service, based on the budget bill amount for those customers on budget billing, and the 12 month trailing average for other customers.
- Number of Commission formal and informal complaints: PECO agrees that this is an important data point. Indeed, in PECO's experience, some customers use the formal and informal complaint system as method to avoid termination and accumulate high balances. To address that concern, PECO respectfully suggests that the Commission should evaluate a possible Commission initiative to accelerate the resolution of all informal or formal residential complaint matters with high arrearages. One approach might be for the utility to identify any complaint that involves an account with a balance of \$7500 or more, or which includes a high balance complaint, and have that account placed into accelerated treatment. PECO is happy to work with the Commission on a pilot program in this area.
- Number of payment arrangements: Again, PECO agrees that this is an important data point.
- Landlord status: Once arrearages are accrued in a landlord/tenant situation, there are very few tools available to reduce the arrearages. Landlord arrearages, even if handled aggressively, are likely to remain on the each year's report even if the tenants have agreed to pay the bills and no additional arrearages are being accumulated. Identification of landlord status will therefore be useful.
- Other data points: For the reasons set forth above with respect to formal and informal complaints, PECO believes it may be useful to report the number of medical certificates granted on the account over the last two years. It may also be helpful to know whether the customer is on PECO's CAP program. Finally, it may be useful to know when the customer made their last payment.

Arrearage Reporting Proposal Point 5: The Commission may request more detailed follow-up information on specific accounts.

PECO Comments on Point 5: In PECO's experience, residential accounts that reach this level of delinquency typically have a convoluted multi-year history involving multiple customer formal and informal complaints, high bill inquiries, medical certificates, utility reports, transfer balances, and other complex procedural background. Further, it can take a trained regulatory assessor or other analyst several business days to research and summarize the data on an account at this level of complexity.

PECO recognizes that the Commission will need to understand this complex background for some accounts, but requests that in making such requests the Commission be cognizant of the very heavy requirement such requests place on PECO's regulatory analysts.

Arrearage Reporting Proposal Point 7: Reports shall be formatted per a specific spreadsheet format provided by the Commission. The Commission will provide this format by the end of calendar year 2015.

PECO Comments on Point 7:

As with the medical certificate reporting, PECO agrees that the Commission should provide a common spreadsheet format that incorporates its resolution of the issues raised above (and any similar issues raised in the comments of other stakeholders). However, for the arrearage review, the data points are likely to be much more complex than for the medical certificate reporting. It is therefore even more imperative that the Commission provide its spreadsheet as soon as possible –and certainly well before the end of the year – to allow PECO to determine whether its IT systems can support the requested data reporting and, if not, the cost and timing of changing its system to support the data reporting.

Respectfully submitted,



Ward Smith

Assistant General Counsel

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Fax Cover Letter

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Comments:

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REQUEST FOR MEDICAL CERTIFICATION
(Solicitud De Un Certificado Medico)

Dear Physician, Physician Assistant, or Nurse Practitioner:

Electric and/or gas service could be shut off at the service address below unless you certify that the individual listed on this form has an illness or condition that would be aggravated by the absence of utility service.

All requested information on this form must be completed for this medical certificate to be valid. Please note that certification is only accepted from a licensed physician, physician assistant, or nurse practitioner.

FOR COMPANY USE ONLY

Table with 2 columns: Account No, Mailing Date, Name and Service Address of Customer, Address, Mail to Customer, Fax to Doctor, Fax No, Phone No, Fax No.

TO BE COMPLETED BY THE CUSTOMER

Is your service off? Yes No

Name of Seriously Ill Person, Address of Seriously Ill Person, Relationship to Customer, Nature of Illness, Home Phone Number, Mobile Phone (Optional)*

*If provided, PECO will send you an application status update via text message. Message and data rates may apply.

TO BE COMPLETED BY LICENSED PHYSICIAN, PHYSICIAN ASSISTANT OR NURSE PRACTITIONER

Please indicate your title: Physician, Physician Assistant, Nurse Practitioner. Physician/PA/NP Name, License Number, Office Address, Office Phone #.

I certify that in my professional opinion the above patient is ill and that this condition would be aggravated by the absence of electric and/or gas service. This certificate is valid for the expected length of the illness, up to a maximum of 30 days, unless it is renewed.

(Physician, Physician Assistant, or Nurse Practitioner Signature)

It is your duty as a customer to arrange to make payments on all bills