

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105

PECO Energy Company  
Universal Service and Energy  
Conservation Plan for 2016-2018  
Submitted in Compliance with  
52 Pa. Code §§ 54.74 and 62.4

Public Meeting: August 11, 2016  
2507139-BCS  
Docket No. M-2015-2507139

STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE

Before the Commission is the Final Order for the Proposed 2016-2018 Universal Service and Energy Conservation Plan (USECPs or Plan) for PECO Energy Company (PECO or Company). Among other changes, this Order directs PECO to meet with Commission staff within 60 days of the filing of its Revised 2016-2018 USECP to discuss the overall state of its Low Income Usage Reduction Programs (LIURP) and to develop a plan of corrective action to address the concerns raised in the external audit evaluation by the Applied Public Policy Research Institute for Study and Evaluation (APPRISE) and this Order. Following these discussions, BCS is directed to provide a recommendation to the Commission within 30 days of the meeting regarding any necessity of further action on this aspect of its filing.

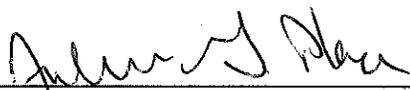
These meetings are being driven by the results of both Penn State University (PSU) and APPRISE studies that estimate PECO's average savings from gas heating jobs for the period 2011-2014 was only 5.5% and 5.9%, respectively, compared to an Natural Gas Distribution Company (NGDC) industry average of 16.6% over the same period. Average gas heating job savings were even less over the last three years of this historic period. Further analysis indicates that PECO has been spending less than other NGDCs on gas heating jobs, and that the cost percentage of more comprehensive measures, such as air sealing and insulation measures, has been shrinking.

Given these important findings, I encourage PECO to work closely with BCS to improve the efficiency of these programs to ensure that our LIURP expenditures are working to improve the affordability of natural gas service to low income, and all other residential customers.

I would also like to call attention to potential cost issues associated with PECO's Hardship Fund program, the Matching Energy Assistance Fund (MEAF). As indicated in this Order, PECO's MEAF is designed to provide an estimated \$500,000 in emergency grants to eligible customers who are in termination status or without electricity/gas service. However, the cost of administering this program is projected to exceed \$700,000 by 2017. I encourage the parties to address the relative cost of administering the program versus the program's benefits as soon as possible, and, at a minimum, by the next base rate case.

I wish to express my appreciation for the hard work of our Bureau of Consumer Services for identifying these important cost/benefit issues regarding PECO's USECP.

DATE: August 11, 2016

  
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Andrew G. Place, Vice Chairman