

RECEIVED

December 9, 2016

2016 DEC 19 AM 10: 23

Rosemary Chiavetta
Secretary, Public Utility Commission
400 North Street, Keystone Bldg.
Harrisburg, PA 17120

PA P.U.C.
SECRETARY'S BUREAU

**RE: PECO Energy Company's Pilot Plan for an Advance Payments Program
PUC Docket No. P-2016-2573023**

Dear Secretary Chiavetta,

As a representative of CADCOM, I am writing to oppose PECO Energy Company's Proposal to offer residential customers Prepaid Electric Service, currently pending at PUC Docket No. P-2016-2573023.

As a social services provider, this issue is of particular importance to us. Our mission of helping people to change their lives is threatened by PECO's Proposal - it is dangerous, unnecessary, and will create a second tier of electric service.

Prepaid Electric Service would be harmful to the community that we serve. On a daily basis, we can receive upwards of fifty calls solely for PECO assistance to prevent service terminations. As the provider of the MEAF grant for Montgomery County, it is already difficult enough to be able to serve even half of our disadvantaged constituents due to lack of funding or a client's inability to pay their balance down to the rigid requirements of the grant after our assistance. At times, we are able to assist a client just by informing them of other opportunities PECO offers for downtrodden situations, such as medical extensions and information regarding the CAP program. If the Prepaid Electric Service was forced upon a portion of our clients who are actually eligible for the MEAF grant, not only would they no longer be given a ten day shut off notice to allow time to rectify their situation, they would have to pay an additional fee on top of the amount needed for their next month of service.

For these reasons and, as explained below, we support the comments submitted by the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) and by the Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (TURN et al.).

PECO's Prepaid Proposal creates a second tier of electric service for vulnerable households

Although PECO purports that its' prepay service is designed to give households more options, it would in actuality create two tiers of service: one for those who can afford to post-pay and a second class service for vulnerable households. This second class of electric service is specifically designed to appeal to households who have trouble paying their utility bills, and have previously been shutoff for nonpayment. And yet, PECO's proposal eliminates almost all consumer protections for those households, including protection from termination in the wintertime and availability of payment agreements to restore service, and does not provide any actual benefit to struggling households. Rather, households prepaying for their electricity would likely experience frequent interruptions in electric service, threatening both the health and safety of the household.

The clients that CADCOM serves would be devastated by such a proposal. Pennsylvania law recognizes that electric service is essential to the health and well-being of residents, to public safety and to orderly economic development, and that electric service should be available to all customers on reasonable terms and conditions. While PECO suggests that it will exclude the poorest households, those under 150% of the Federal Poverty Level, PECO provides no information in its proposal about how it will verify income to protect those families. Furthermore, many households with incomes above 150% of the Federal Poverty Level struggle to adequately meet their basic needs. For these households, PECO's proposal does only harm and provides no benefits.

Prepaid Electricity is Costly

A prepaid electricity model requires customers to pay money in advance of using electricity. As the household consumes electricity, that account balance would decline until the household either runs out of credits or reloads the account with more money. This depletion of funds would be considered a request to discontinue service, rather than a termination. These households would not be entitled to any written notice of termination, nor would they be entitled to protection from termination during the cold winter months. Without a notice of termination, households are unlikely to be eligible for Hardship Funds or LIHEAP Crisis assistance. In addition, households making multiple payments a month would incur transaction fees for each payment – increasing the cost to the household of electric service.

PECO's Prepay Electricity Pilot is Harmful and Unnecessary

A prepaid electricity pilot such as the one proposed by PECO does nothing to address the unaffordability of electric service for households struggling to make ends meet. PECO and the PUC should instead focus

their energy on true solutions to this affordability crisis: strengthening utility assistance programs, and reining in increases in rates.

A household's health, safety and welfare should not be the subject of experimentation by an electric utility. At the very least, the PUC should have hearings on PECO's petition, including public input hearings so that the PUC can hear directly from potentially affected customers. Most importantly, the PUC must require PECO to show that such a proposal is in the public interest. By sacrificing critical consumer protections, including all those protections afforded under current law for post-pay customers, we submit that PECO's Proposal is contrary to the public interest.

Sincerely,

Rick Beaton, Executive Director

Montgomery County Community Action Development Commission

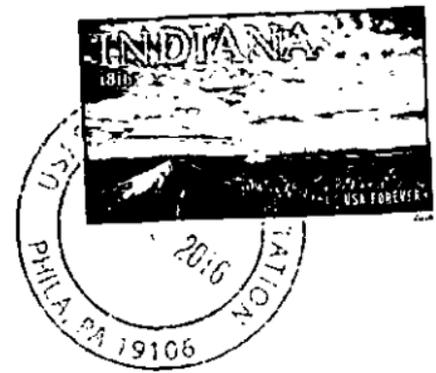
CC: Ward L. Smith, Esquire, PECO Energy Company

RECEIVED

2016 DEC 19 AM 10:23

PA P.U.C.
SECRETARY'S BUREAU

Community Action Development Commission
113 East Main Street
Norristown, PA 19101



Secretary
Pennsylvania PUC
Commonwealth Keystone Building - 2nd Floor
400 North Street
Harrisburg PA 17120

17120\$0202 0000

