

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY  
Consumer Advocate

January 4, 2010

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

RE: Petition of PECO Energy Company for  
Approval of its Revised Electric Purchase of  
Receivables Program  
Docket No. P-2009-2143607

Dear Secretary McNulty:

Enclosed for filing is the Prehearing Memorandum of the Office of Consumer, in the above-referenced proceeding.

Copies have been served as indicated on the Certificate of Service.

Respectfully Submitted,

A handwritten signature in black ink that reads "Barrett C. Sheridan".

Barrett C. Sheridan  
Assistant Consumer Advocate  
PA Attorney I.D. # 61138

Enclosures

cc: Honorable Cynthia W. Fordham

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company	:	
For Approval of Its Revised Electric	:	Docket No. P-2009-2143607
Purchase of Receivables Program	:	

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the prehearing conference notice issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. ISSUES

PECO filed its Petition for Approval of Its Revised Purchase of Receivables (POR) Program (Petition) pursuant to the terms of the settlement of PECO's default service case, as approved by the Public Utility Commission (PUC or Commission). See Petition of PECO Energy Company for Approval of its Default Service Program and Rate Mitigation Plan, Docket No. P-2008-2062739 (Order entered June 2, 2009)(Default Service Settlement). As part of the Default Service Settlement, PECO committed to pursue changes to its POR program to take effect on January 1, 2011. PECO has requested expedited review and a Commission approval no later than March 31, 2010 to allow PECO time to implement the changes by January 1, 2011. Id.

The Office of Consumer Advocate (OCA) filed an Answer on December 4, 2009, consistent with the Company's proposed expedited schedule. As set forth in the OCA Answer, PECO's proposed revised POR does not contain adequate consumer protections and fails to maintain the same level of quality of customer service as PECO's existing program or its prior practice. 66 Pa.C.S. § 2807(d). The OCA Answer has identified a number of issues, summarized as follows:

- 1) The OCA objects to PECO's Revised POR which would allow for termination of electric generation and supply service based on unregulated charges that are higher than default service charges;
- 2) PECO's proposed tariff definition of "basic electric supply" requires modification;
- 3) PECO's proposed tariff should require all Electric Generation Suppliers (EGSs) to certify that the only EGS charges submitted for Consolidated Billing are for basic electric supply;
- 4) PECO should allow EGSs to participate in the revised POR on the condition that the EGSs accept all customers and agree to forego any request for deposits or security; and
- 5) PECO proposed plan for recovery of the incremental costs of implementing the revised POR through a temporary 0.2% discount and plan to request recovery of ongoing administrative and operating costs through future distribution rates is unreasonable and fails to properly protect consumers.

The OCA may identify additional issues as the case moves forward. The OCA reserves the right to develop and address other issues regarding whether PECO's proposed revised POR complies with the Default Service Settlement, other Commission orders, and provides consumers with all appropriate protections.

## II. WITNESSES

The OCA has not engaged an expert witness at this time. The OCA specifically reserves the right to call one or more witness, as necessary. As soon as OCA has determined whether a witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

## III. SETTLEMENT

The OCA has identified portions of the Company's proposed Revised POR which require clarification and modification before the Revised POR may be found to provide sufficient consumer protections and be in the public interest. Some or all of these issues may be subject to resolution by agreement rather than litigation. The OCA is willing to participate in settlement negotiations with the Company and other interested parties.

## IV. SCHEDULE

As part of its Petition, PECO proposed an expedited schedule. The OCA agrees with the Presiding Officer that the proposed schedule requires revision. The OCA will consult with the Company and other parties to develop a proposed alternative schedule for review and discussion at the Prehearing Conference.

## V. SERVICE ON OCA

The OCA will be represented in this case by Assistant Consumer Advocates Barrett C. Sheridan, PA Attorney I.D. # 61138 and Senior Assistant Consumer Advocate Tanya J. McCloskey, PA Attorney I.D. # 50044. Two copies of all documents should be served on the OCA as follows:

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The OCA requests that, as a courtesy, parties also serve electronic copies of any filings on Jessica Horner at jhorner@paoca.org.

Respectfully submitted,



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DATED: January 4, 2010

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CERTIFICATE OF SERVICE

Petition of PECO Energy Company for : Docket No. P-2009-2143607  
Approval of its Revised Electric Purchase :  
of Receivables Program :

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Office of Consumer, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 4<sup>th</sup> day of January 2010.

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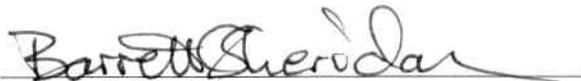
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