

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

R-2010-2161575

PECO Energy Company -Electric Division

STATEMENT OF  
PENNSYLVANIA COMMUNITIES ORGANIZING FOR CHANGE, INC.,  
d/b/a ACTION UNITED  
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT

Pennsylvania Communities Organizing For Change, Inc., d/b/a Action United ("PCOC" ) a signatory party to the Joint Petition for Settlement ("Joint Petition") in Docket No. R-2010-2161575, through counsel, Arthur Z. Schwartz, Esq. Advocates For Justice And Reform Now, PC, respectfully submits that the terms and conditions of the proposed Settlement are in the public interest, and in support states as follows:

**I. Background**

PCOC incorporates herein by reference the Background paragraphs 1 through 6 of the Joint Petition.

**II. Terms and Conditions of Settlement**

The Settlement terms and conditions are delineated in Paragraph 7 of the Joint Petition, with the Universal **Service/Low** Income terms set forth in Exhibit 4 attached thereto. PCOC supports the Settlement as a reasonable compromise of positions among the parties. The Settlement preserves prior settlement agreement terms that mitigate rate increases for low-income customers following expiration of the rate caps, provides for CAP credit cost control

constraints that are adjusted for inflation and future fluctuations in electricity rates, and provide; fair opportunities for vulnerable customers to catch up on their bills and avail themselves of energy efficiency measures to reduce future bills.

The Parties have agreed that PECO shall calculate its CAP Rate discounts using the methodology described in its electric DSP Settlement. *Petition of PECO Energy Company for Approval of its Default Service Program and Rate Mitigation Plan*, Docket No. P-2008-2062739. Most importantly, CAP Rate modifications allow for adjustments downward or upward of the CAP Rate discounts so that 88-90% of CAP customers will receive bills within the Commission's affordability guidelines.

The Settlement would increase the maximum CAP credits to adjust for inflation from August 30, 2007 through the end of 2010, then adjust for actual electric rate fluctuations starting in 2011. This important provision is consistent with the Commission's Proposed Order in the CAP Policy Statement proceeding at Docket No. M-00072036, promoting the indexing of the maximum CAP credits. Currently, the CAP Rate program is very close to hitting the ceiling for the credits it can provide to low income customers, and discounts would soon have to be scaled back as rates increase, if the ceiling is not adjusted. Without this provision to adjust the CAP credit ceiling, CAP bills will become unaffordable and inevitably will result in greater inability to pay and more low income customers facing termination of service.

In addition, the Settlement provides certain protections, from January 2011 through December 2012, to vulnerable customers at risk of service termination. The medical certification process is simplified to address the concerns of customers with medical problems, who are often elderly, by eliminating the costly and time-consuming written renewal process for

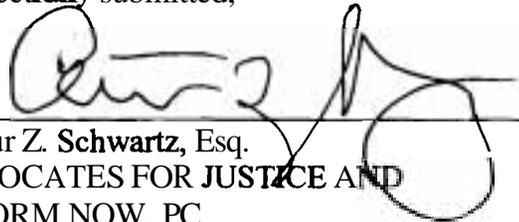
medical conditions that have not changed. PECO will suspend the termination process for 30 days when a customer is eligible for the Low Income Usage Reduction Program (LIURP) or the Act 129 Low-Income Energy **Efficiency** Program (LEEP) and is scheduled for a weatherization audit, and provide CAP customers with a payment agreement to catch up on the high bills that accrued prior to LIURP or LEEP assistance. In December of each year, as customers enter the harsh cold weather, PECO will restore service to those customers who have balances of \$250 or less and will waive the reconnection fee. This provision is consistent with the Commission's annual requests to utility **CEOs** to exercise leniency and discretion in their termination practices in order to minimize the numbers of customers facing the winter without heat service.

In addition to above reasons, the Settlement further avoids unnecessary litigation time and expense.

### **III. Conclusion**

For the foregoing reasons, PCOC submits that the terms and conditions of the Joint Petition for Partial Settlement of the electric rate investigation are in the public interest and should be approved by the Administrative Law Judges and the Pennsylvania Public Utility Commission.

Respectfully submitted,



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