

**THE PENNSYLVANIA UTILITY LAW PROJECT**  
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February 13, 2012

Via E-Filing

Secretary Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re:**

**Petition of PECO Energy Company for Approval of its Default  
Service Program**

Docket Nos. P-2012-2283641

Dear Secretary Chiavetta:

Enclosed please find the Answer of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") to PECO's Petition for Approval of its Default Service Program.

Kindly notify the undersigned if you have any questions or concerns about this filing.

Respectfully submitted,



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Patrick M. Cicero, Esquire  
Harry S. Geller, Esquire  
*Counsel for CAUSE-PA*

CC: Certificate of Service

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**Petition of PECO Energy Company for Approval of its Default  
Service Program**

Docket Nos. P-2012-2283641

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**ANSWER OF RESPONDENT THE  
COALITION FOR AFFORDABLE UTILITY SERVICES  
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

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**I. INTRODUCTION**

On January 13, 2012, PECO Energy Company (“PECO” or the “Company”) filed a Petition for Approval of its Default Service Program (“Petition”). The filing was made to establish the terms and conditions under which PECO will procure default service supplies, provide default service to non-shopping customers, satisfy the requirements imposed by the Alternative Energy Portfolio Standards Act<sup>1</sup> (“AEPs Act”), and recover all associated costs on a full and current basis for the period of June 1, 2013 through May 31, 2015.

On February 13, 2012, concurrent with this filing, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its attorneys at the Pennsylvania Utility Law Project, filed a Petition to Intervene in this proceeding. Although intervention has not yet been granted by the Presiding Officer, CAUSE-PA files this Answer in response to the Petition.

**II. ANSWER**

CAUSE-PA has preliminarily reviewed the Petition and identified a number of issues presented by the filing. CAUSE-PA anticipates that additional issues will arise as a more

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<sup>1</sup> 73 P.S. §§ 1648.1-1648.8 and related provisions of 66 Pa. C.S. §§ 2813-14.

comprehensive review of PECO's filing is undertaken, including a more comprehensive review of PECO's testimony, and discovery is conducted. However, the preliminary issues identified by CAUSE-PA include the structure of PECO's proposed retail market enhancements. Specifically, PECO proposes an Opt-In EG Offer Program and two Customer Referral Programs.

**A. The Opt-In Auction**

PECO proposes to implement an "opt-in" program in which EGSs will bid to provide competitive retail electric service to fifty (50%) of PECO's non-shopping default load. (Petition ¶ 41.) According to the Petition, each offer price must be at least five percent (5%) less than PECO's projected Price-to-Compare for June 1, 2013. (Id.) Once the winning EGSs are selected, customers would be randomly assigned and would receive an offer from the EGS. (Id. ¶ 44.) Participating customers can select another EGS or return to default service without penalty after enrollment; however, at the end of the 12-month fixed price an enrolled customer will not return automatically to default service and an EGS may establish new prices. (Id. ¶ 46.)

CAUSE-PA intends to examine both the hazards and benefits that this auction would have for low-income residential customers and submits that PECO should be required to demonstrate that each component of their opt-in auction proposal is permissible under current law and regulations and that the process proposed adequately safeguards the rights of all residential customers, particularly low-income and otherwise vulnerable customers.

Moreover, PECO should be required to clarify whether it intends for CAP customers to participate in the auction and, if so, whether other Universal Service Programs would be fully integrated into their proposed auction structure without any reduction of benefits and safeguards to Universal Service Program participants. All of these issues must be thoroughly reviewed

through discovery and a hearing in order to ensure that PECO's low-income customers are not harmed by participation in such an auction.

**B. Customer Referral Programs**

PECO also proposes to implement two customer referral programs: a Standard Offer Customer Referral Program and a New/Moving Customer Referral Program. (Petition ¶ 48.) CAUSE-PA intends to examine the various proposals to ensure that each of them adequately protects low-income customers. PECO has appropriately determined that CAP customers should not participate in either of these referral programs and CAUSE-PA intends to support this approach; however, there remain unanswered questions about whether other low-income customer segments may also benefit from the price stability of default service and thus should also not participate in these retail enhancements.

WHEREFORE, CAUSE-PA respectfully requests that this matter be set for hearings. Hearings are necessary to ensure that the default service rates that will be charged starting June 1, 2013 are just and reasonable and that the propose program changes and additions are consistent with Pennsylvania law.

Respectfully submitted,

**PENNSYLVANIA UTILITY LAW PROJECT**  
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**Certificate of Service**

I hereby certify that I have this day served copies of the foregoing document, upon the following persons as set forth below and as directed by the notice published in the Pennsylvania Bulletin on January 28, 2012 at 42 Pa.B. 642. As a courtesy, I have also served the statutory advocates and the Bureau of Investigation and Enforcement.

**VIA E-MAIL & FIRST-CLASS MAIL**

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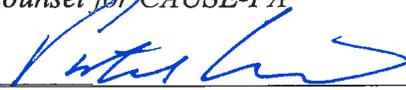
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Respectfully submitted,  
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