

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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December 10, 2012

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: PECO Energy Company Universal Service
and Energy Conservation Plan for 2012-
2015 Submitted in Compliance with 52 Pa.
Code §§ 54.74 and 62.4
Docket No. M-2012-2290911

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Reply Comments, in the
above-referenced proceeding.

Copies have been served upon all parties of record as shown on the attached
Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Christy M. Appleby".

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824

Enclosures

cc: Grace McGovern, BCS (e-mail)
Louise Fink-Smith, Law Bureau (e-mail)
Cyndi Page, Office of Communications (e-mail)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company Universal Service	:	
And Energy Conservation Plan For 2013-2015	:	Docket No. M-2012-2290911
Submitted in Compliance with 52 Pa.	:	
Code §§ 54.74 and 62.4	:	

REPLY COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) files these Reply Comments pursuant to the Pennsylvania Public Utility Commission's (Commission) directive in the Tentative Order entered on November 8, 2012 at the above-referenced docket.

I. Introduction

On February 28, 2012, PECO Energy Company (PECO or the Company) filed its Universal Service and Energy Conservation Plan (USECP or Plan) for 2013 through 2015 in accordance with the Commission's regulations at 52 Pa. Code §§ 54.71-54.78, relating to electric universal service and energy conservation requirements and at 52 Pa. Code §§ 62.1-62.8, relating to natural gas universal service and energy conservation requirements. On October 25, 2012, PECO filed an Amended USECP. The Tentative Order entered on November 8, 2012, by the Commission solicited comments from interested parties on a large number of important issues including the following: (1) whether the CAP Rate program should be changed to a Percentage of Income Payment Program (PIPP), including the affordability issues raised and the costs and benefits of such a program design; (2) how the distribution of the Low Income Home Energy Assistance Program (LIHEAP) grant fits with the PECO CAP Rate Program and its impact on

the net energy burdens of the customer; (3) the viability of the “in-program” arrearage forgiveness program and deferred payment arrangement process; (4) the viability of PECO’s assignment of customers to appropriate CAP Rate tiers, including CAP Rate A; (5) the extent to which, if at all, PECO should retain or modify its one-year arrearage forgiveness program; (6) the extent to which PECO should continue its “automatic enrollment” of LIHEAP recipients into the CAP Rate and whether, if so, the extent to which PECO should modify its consumer education program, including the costs, benefits and risks to consumers of the automatic enrollment program; (7) the need for and operation of PECO’s CAP Rate provision that customers be required to provide Social Security numbers; (8) the need for and operation of PECO’s CAP Rate provisions regarding the proof of zero dollar incomes; (9) the viability of PECO’s use of a population average CAP Rate credit ceiling; (10) the viability and implementation of PECO’s CAP Rate referrals to the Low Income Usage Reduction Program (LIURP); (11) the impact that switching to a PIPP will have on CAP customers’ ability to shop; and (12) the need for additional cost control measures for PECO’s affordability program. The Tentative Order also requested Reply Comments to be submitted by December 10, 2012.

On November 28, 2012, the Office of Consumer Advocate filed its Comments. Comments were also filed by PECO, Community Legal Services of Philadelphia (CLS), Face to Face, the Pennsylvania Coalition Against Domestic Violence (PCADV) and H. Gil Peach and Associates, LLC. The Tenant Union Representation Network (TURN), Action Alliance of Senior Citizens of Greater Philadelphia (Action Alliance), and The Coalition for Affordable Utility Services and Energy Efficiency in PA (Cause-PA) (collectively TURN et al.) filed Joint Comments.

The Office of Consumer Advocate responds to the comments of the other interested parties as follows:

II. Comments

A. Collaborative

Comments have been filed in this matter by the OCA, TURN et al., PCADV, Face to Face, CLS, and H. Gil Peach and Associates, LLC regarding PECO's Plan. The Comments of the stakeholders raise important issues that must be addressed. PECO proposes in its Comments that the issues raised in the Tentative Order be referred to a collaborative, which will conclude by no later than May 2013.¹ PECO Comments at 2. The OCA similarly suggested the use of a collaborative process to being to explore these issues. The OCA supports a collaborative approach in this case.

The collaborative process with PECO and the interested stakeholders has provided value in the past to address the issues presented in the Comments. Past collaborative discussions with stakeholders have been very successful. The OCA submits, however, that the opportunity and time for litigation should be reserved in the event that the stakeholders are not able to reach agreement on any, or all, of the issues.

The OCA submits that the collaborative process will allow for the more effective coordination of the proposed CAP program design changes with the requirement that a program be developed to allow PECO's CAP customers to shop. As PECO notes in its Comments, the Commission recently required PECO to implement a shopping program for CAP customers to begin no later than January 1, 2014 and required that PECO work with the Office of Competitive Market Oversight (OCMO) to develop a CAP shopping plan. See, PECO Comments at 11; OCA

¹ The OCA notes that PECO filed an errata page on November 30, 2012 to correct the proposed collaborative end date in the Company's Comments from May 2014 to May 2013.

Comments at 19. After that time, interested parties would be permitted to respond to PECO's filed CAP shopping plan. PECO Default Service Plan (DSP) II Order, Docket No. P-2012-2283641 (Order entered October 12, 2012); see also, Reconsideration Order, PECO DSP II, Docket No. P-2012-2283641 (Order entered November 21, 2012). In its Comments, the OCA raised potential cost and CAP portability implications with different CAP program designs. Therefore, the OCA recommends that the CAP program design should be addressed prior to the development of a final plan to allow CAP customers to switch to an alternative provider. OCA Comments at 20.

The OCA supports PECO's request in its Comments that the issues identified in the Tentative Order be referred to a collaborative through May 1, 2013 and that the right to litigation be reserved thereafter in the event that the collaborative is not successful in resolving any, or all, of the issues raised by the stakeholders.

B. PECO Request For Issues To Be Resolved On The Merits Of Comments Alone

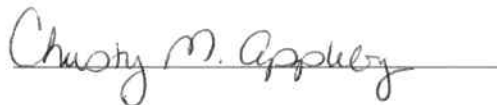
PECO identified the following ten issues which the Company argues do not require a hearing or further review: (1) affordability and PECO's additional CAP payment arrangements; (2) affordability and referrals to CAP Rate A; (3) affordability and the 12-month arrearage forgiveness program; (4) automatic enrollment and LIHEAP; (5) CAP shopping; (6) whether Social Security Numbers should be required for enrollment in CAP; (7) the requirement for proof of no income; (8) maximum CAP credits; and (9) PECO's LIURP training and referrals; and (10) the organizational structure. PECO Comments at 12-21, 23-31. The OCA submits that carving out certain issues from the collaborative and/or hearing process at this time may not be appropriate. PECO's CAP program must account for and integrate all CAP design elements. It

would be premature to decide certain elements in isolations without a full understanding of the overall program.

III. Conclusion

The OCA appreciates the opportunity to provide these Reply Comments and looks forward to working with all of the parties in the continuing developments of PECO's Universal Service and Energy Conservation Plan.

Respectfully submitted,



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DATE: December 10, 2012
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CERTIFICATE OF SERVICE

PECO Energy Company Universal Service :
And Energy Conservation Plan For 2013-2015 : Docket No. M-2012-2290911
Submitted in Compliance with 52 Pa. :
Code §§ 54.74 and 62.4 :

I hereby certify that I have this day served a true copy of the foregoing, the Office of Consumer Advocate's Reply Comments, 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 10th day of December 2012.

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