



Exelon Business Services Company  
Legal Department  
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January 23, 2013

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

**RE: Robert Heller v. PECO Energy Company**  
**PUC Docket No.: F-2013-2343534**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission are the following documents in the matter referenced above.

—	Answer
-	Answer & New Matter
—	Motion to Dismiss
—	Motion for Judgment on the Pleadings
<u>X</u>	Preliminary Objection
—	Exceptions
-	Reply Exceptions
—	Main Brief
—	Reply Petition

I have enclosed a Certificate of Service showing that a copy of the above document was served on the interested parties. Thank you for your time and attention on this matter.

Very truly yours,

Shawane Lee  
Counsel for PECO Energy Company  
SL/lo

Scheduling Recommendation: Call of the docket

Non Call of the docket

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>ROBERT HELLER</b>	:	
<b>Complainant</b>	:	
v.	:	<b>DOCKET NO. F-2013-2343534</b>
	:	
<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	

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**NOTICE TO PLEAD**

Pursuant to 52 Pa. Code §§ 5.101 and 5.62(c), you are hereby notified that, if you do not file a written response denying or correcting the enclosed Preliminary Objection within 10 days from service of this notice, a ruling may be entered against you. Your response must be filed with the Secretary of the Pennsylvania Public Utility Commission, with a copy served to counsel for PECO Energy Company, Shawane L. Lee, and where applicable, the Administrative Law Judge presiding over the issue.

File with:  
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Second Floor  
Harrisburg, PA 17120

With a copy to:  
Shawane L. Lee  
PECO Energy Company  
2301 Market Street, S-23  
Philadelphia, PA 19103

Dated at Philadelphia, PA, January 23, 2013



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Shawane L. Lee  
PECO Energy Company  
2301 Market Street, S-23  
Philadelphia, PA 19103  
(215) 841-6481  
[Shawane.Lee@exeloncorp.com](mailto:Shawane.Lee@exeloncorp.com)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>ROBERT HELLER</b>	:	
<b>Complainant</b>	:	
v.	:	<b>DOCKET NO. F-2013-2343534</b>
	:	
<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	

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**PRELIMINARY OBJECTION OF RESPONDENT,  
PECO ENERGY COMPANY**

Respondent, PECO Energy Company (“PECO Energy”), pursuant to 52 Pa. Code § 5.101(a)(4) respectfully petitions this Honorable Commission to dismiss the instant Complaint as legally insufficient.

1. On January 17, 2013, PECO Energy was served with a formal complaint filed by Robert Heller (hereafter “Complainant”).

2. In the Complainant’s formal complaint, he stated the reason for his complaint as:

\$1.75 charge for an extra meter is to be instated on the next bill. We had this meter installed with good faith and intentions. Why is it our responsibility to have this meter removed at our owen expense!

See the Complainant’s formal complaint, attached hereto as Exhibit “1”.

3. In the “relief” section of the Complainant’s formal complaint, he states:

With good intentions for our usage and for the environment, we signed on with PECO to have a second meter installed several years ago. As the PECO company suggested, this extra meter would conserve usage and be more economic. Currently, we have been informed by PECO that the “2<sup>nd</sup> meter” no longer applies and us as well as all other PECO customers will be charged an extra \$1.75 per month if the two meter system applies to them. We were told by PECO that we could hire a licensed electrician to remove the extra meter at our expense.

Furthermore, how many other households in the Delaware Valley will have this extra charge be put on their bill. Yes, it is only \$1.75 but when multiplied by perhaps thousands of homes, it looks like a hefty pay day for the PECO Co.

See the Complainant’s formal complaint, attached hereto as Exhibit “1”.

4. In his formal complaint, the Complainant disputes the \$1.75 off-peak meter charge he will incur as a result of the eventual elimination of PECO's discounted OP rate.

5. Additionally, he disputes the fact that in order to avoid incurring this monthly cost, he must have the meter removed by a licensed electrician at his own expense.

6. PECO Energy filed the instant Preliminary Objection.

7. Commission procedure regarding the disposition of preliminary objections is similar to that utilized in Pennsylvania civil procedure.<sup>1</sup>

8. In deciding preliminary objections, the Public Utility Commission must determine, based on the factual pleadings of the petitioner, if relief or recovery is possible.<sup>2</sup>

9. A complaint must be able to recover under the law to survive a preliminary objection.<sup>3</sup>

10. All of the non-moving party's averments must be taken as true for the sake of deciding the preliminary objection.<sup>4</sup>

11. The court does not, however, need to accept, "unwarranted inferences from facts, argumentative allegations, or expressions of opinions."<sup>5</sup>

12. Section 703 of the Public Utility Code, 66 Pa.C.S.A. § 703(b) provides that the Commission may dismiss any complaint without a hearing if, in its opinion, a hearing is not necessary in the public interest.

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<sup>1</sup> Equitable Small Transportation Interveners v. Equitable Gas Co., 1994 Pa.PUC LEXIS 69, Docket No. C-00935435 (July 18, 1994)

<sup>2</sup> 2006 Pa. PUC Lexis 111, \*7.

<sup>3</sup> Milliner v. Enck, 709 A.2d 417, 418 (Pa. Super. Ct. 1998) ("preliminary objection should be sustained only where it appears with certainty that, upon the facts averred, the law will not allow the plaintiff to recover").

<sup>4</sup> Id. at 7-8.

<sup>5</sup> Feingold v. McNulty, 2009 Phila. Ct. Com. Pl LEXIS 167, \*3.

13. A hearing is required only when there is a disputed question of fact, and is not required to resolve questions of law. Dee-Dee Cab, Inc. v. Pa.Pub. Util. Comm'n, 817 A.2<sup>nd</sup> 593 (Pa.Comm. Ct. 2003), petition for allowance of appeal denied, 836 A.2d 123 (Pa. 2003).

14. Here, there are no genuine issues of fact and PECO Energy is entitled to judgment as a matter of law. Therefore, the complaint is legally insufficient and should be dismissed.

15. The Complainant disputes the \$1.75 meter charge he will incur as a result of the phase out of PECO Energy's Off Peak rate.

16. The elimination of PECO Energy's Off Peak rate was approved by the Commission as part of PECO's Default Service Program and Rate Mitigation Plan on June 9, 2009, docket number P-2008-2062739. The plan was previously approved by the Commission and is just, reasonable and lawful.

17. The \$1.75 customer charge is assessed for each Off Peak meter at a customer's property and is part of the monthly basic distribution charge to cover costs for billing, meter reading, equipment and maintenance.

18. The Commission approved the \$1.75 rate as a part of the 2010 Electric Rate Case Settlement at Docket No. R-2010-2161575.

19. As a part of the rate case settlement, PECO submitted a Proof of Revenue, demonstrating the necessity for the charge, how the company designed its rates; and how the company proposed to obtain its revenue. See Rate Case Settlement, Rate Design, attached hereto as Exhibit "2".

20. The Commission asked PECO Energy to "Explain why PECO proposes to eliminate the Rate OP pricing advantage for distribution service". With regard to the Off Peak customer charge, PECO Energy answered, in relevant part:

In order to equalize the variable distribution charges of rate OP and Rate R, any increase in Rate OP will be allocated first to the variable distribution charge. As a result of this change, the Rate OP customer charge is being reduced from \$4.65 to \$2.00 per month. A customer charge is still necessary for Rate OP because customers served under this rate schedule have a separate meter for this service.

See Rate Case Testimony, attached hereto as Exhibit "3".

21. After extensive discovery, hearings, and the filing of testimony and rebuttal testimony in this matter, the Commission ultimately approved PECO Energy's right to charge the \$1.75 under Docket Number R-2010-2161575.

22. Assuming that everything the Complainant alleges in his Complaint is true, PECO Energy is operating under the basis of a Commission approved Order and charged the \$1.75 with the specific approval of the Commission.

23. The \$1.75 charge is regulated by the Public Utility Commission ("PUC") and it is contained within PECO Energy's Electric Service Tariff ("Tariff") approved by and on file with the PUC. See Tariff Provision, attached hereto as Exhibit "4".

24. The Tariff provisions approved by the PUC are prima facie reasonable. 66 Pa. C.S.A. § 316 (1999); See also, Kossman v. Pennsylvania Public Utility Commission, 694 A.2d 1147 (Pa. Cmwlth. 1997). Moreover, tariffs that have been approved by the PUC have the full force and effect of law and are binding on both the utility and its customers. Brockway Glass Co. v. Pennsylvania Utility Commission, 437 A.2d 1067 (Pa. Cmwlth. 1981).

25. Thus, the Complainant's complaint, objecting to the \$1.75 Off Peak meter charge does not allege a violation of any order, law or tariff that can be the basis of any finding against PECO Energy.

26. Additionally, the Complainant disputes the fact that he must hire a licensed electrician to remove the meter at his own expense and alleges that the second meter "no longer applies".

27. Contrary to the Complainant's assertions, the Off Peak meter is not redundant or no longer applies.

28. Even after the rate phase-out, the Off Peak meter is still needed to measure usage for the appliances connected to that meter.

29. The meter must be present to properly measure the Complainant's energy usage for the old heating circuit regardless of what variable energy rate is being charged.

30. For instance, if the Complainant's hot water heater appliance is connected to the Off Peak meter, the meter will separately calculate the usage for the hot water heater.

31. If the meter is removed without the Complainant rewiring to the first meter, there would be no electric service available to that circuit for his hot water heater or other hard wired 220 volt appliances.

32. As the meter is still required, PECO Energy should be able to recover costs through the \$1.75 meter charge to cover the cost for billing, meter reading, and equipment maintenance.

33. Accordingly, the Complainant's formal complaint should be dismissed as a matter of law.

**REQUEST FOR RELIEF**

WHEREFORE, for all of the reasons stated herein, PECO respectfully requests that your Honorable Commission dismiss the instant complaint with prejudice.

Respectfully submitted,



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Shawane L. Lee  
Counsel for PECO Energy Company  
2301 Market Street, S23-1  
P.O. Box 8699  
Philadelphia, PA 19101-8699  
(215) 841-6841  
Fax: 215.568.3389  
Shawane.Lee@exeloncorp.com

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>ROBERT HELLER</b>	:	
<b>Complainant</b>	:	
<b>v.</b>	:	<b>DOCKET NO. F-2013-2343534</b>
	:	
<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	

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**VERIFICATION**

I, Shawane L. Lee, hereby declare that I am counsel for PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Pleading are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. § 4904 pertaining to false statements to authorities.



Date: January 23, 2013

\_\_\_\_\_  
Shawane L. Lee

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>ROBERT HELLER</b>	:	
<b>Complainant</b>	:	
<b>v.</b>	:	<b>DOCKET NO. F-2013-2343534</b>
	:	
<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	

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**CERTIFICATE OF SERVICE**

I, Shawane L. Lee, hereby certify that I have this day served a copy of PECO Energy Company's Answer in the above matter upon all interested parties by mailing a copy, properly addressed and postage prepaid to:

Robert Heller  
1168 Kings Avenue  
Bensalem, PA 19020

Dated at Philadelphia, Pennsylvania, January 23, 2013



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Shawane L. Lee  
Counsel for PECO Energy Company  
2301 Market Street, S23-1  
P.O. Box 8699  
Philadelphia, PA 19101-8699  
(215) 841-6841  
Fax: 215.568.3389  
[Shawane.Lee@exeloncorp.com](mailto:Shawane.Lee@exeloncorp.com)

**EXHIBIT “1”**

Must be returned by January 30, 2013

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

Filing this form begins a legal proceeding and you will be a party to the case.  
If you do not wish to be a party to the case, consider filing an informal complaint.

To complete this form, please type or print legibly in ink.

1. Customer (Complainant) Information

Provide your name, mailing address, county, telephone number(s), e-mail address and utility account number:

Name Robert Heller  
Street/P.O. Box 1168 Kings Ave Apt # —  
City Bensalem State PA Zip 19020  
County Bucks

Telephone Number(s) Where We Can Contact You During the Day:

(215) 639 3209 (home) (267) 679 9835 (mobile)

E-mail Address (optional): Chonlet@comcast.net

Utility Account Number (from your bill)  98347-00300

If your complaint involves utility service provided to a different address or in a different name than your mailing address, please list this information below.

Name —  
Street/P.O. Box —  
City — State — Zip —

2. Name of Utility or Company (Respondent)

Provide the full name of the utility or company about which you are complaining. The name of your utility or company is on your bill.

PECO an Exelon Company

RECEIVED  
2013 JAN 14  
PA P.U.C.  
SECRETARY'S BUREAU  
AH ID: 85

3: Type of Utility Service

Check the box listing the type of utility service that is the subject of your complaint (check only one):

- ELECTRIC
- WASTEWATER/SEWER
- GAS
- TELEPHONE/TELECOMMUNICATIONS (local, long distance)
- WATER
- MOTOR CARRIER (e.g. taxi, moving company, limousine)
- STEAM HEAT

4. Reason for Complaint

What kind of problem are you having with the utility or company? Check all boxes below that apply and state the reason for your complaint. Explain specifically what you believe the utility or company has done wrong. Provide relevant details including dates, times and places and any other information that may be important. If the complaint is about billing, tell us the amount you believe is not correct. Use additional paper if you need more space. Your complaint may be dismissed without a hearing if you do not provide specific information.

- The utility is threatening to shut off my service or has already shut off my service.
- I would like a payment agreement.
- Incorrect charges are on my bill. Provide dates that are important and an explanation about any amounts or charges that you believe are not correct. Attach a copy of the bill(s) in question if you have it/them.  
*\$1.75 charge for an extra meter is to be instituted on the next bill. We had this meter installed with good faith and intentions.*
- I am having a reliability, safety or quality problem with my utility service. Explain the problem, including dates, times or places and any other relevant details that may be important.
- Other (explain).  
*Why is it our responsibility to have this meter removed at our own expense!*

Note: If your complaint is only about removing or modifying a municipal lien filed by the City of Philadelphia, the Public Utility Commission (PUC) cannot address it. Only local courts in Philadelphia County can address this type of complaint. The PUC can address a complaint about service or incorrect billing even if that amount is subject to a lien.

In addition, the PUC generally does not handle complaints about cell phone or Internet service, but may be able to resolve a dispute regarding voice communications over the Internet (including the inability to make voice 911/E911 emergency calls) or concerns about high-speed access to Internet service.

5. Requested Relief

How do you want your complaint to be resolved? Explain what you want the PUC to order the utility or company to do. Use additional paper if you need more space.

With good intentions for our usage and for the environment, we signed on with PECO to have a second meter installed several years ago. As the PECO company suggested, this extra meter would conserve usage and be more economic. Currently, we have been informed by PECO that the "2nd" meter no longer applies and us as well as all other PECO customers will be charged an extra \$1.75 per month if the two meter system applies to them. We were told by PECO that we could hire a licensed electrician to remove the extra meter at our expense.

Furthermore, how many other households in the Delaware Valley will have this extra charge be put on their bill. Yes it is only \$1.75 but when multiplied by perhaps thousands of homes, it looks like a hefty pay day for the PECO Co.

Note: The PUC can decide that a customer was not billed correctly and can order billing refunds. The PUC can also fine a utility or company for not following rules and can order a utility or company to correct a problem with your service. Under state law, the PUC cannot decide whether a utility or company should pay customers for loss or damages. Damage claims may be sought in an appropriate civil court.

**6. Protection from Abuse**

Has a court granted a "Protection from Abuse" order that is currently in effect for your personal safety or welfare? The PUC needs this information to properly process your complaint so that your identity is not made public.

Note: You must answer this question if your complaint is against a natural gas distribution utility, an electric distribution utility or a water distribution utility AND your complaint is about a problem involving billing, a request to receive service, a security deposit request, termination of service or a request for a payment agreement.

Has a court granted a "Protection from Abuse" order for your personal safety or welfare?

YES

NO

If your answer to the above question is "yes," attach a copy of the current Protection for Abuse order to this Formal Complaint form.

**7. Prior Utility Contact**

a. Is this an appeal from a decision of the PUC's Bureau of Consumer Services (BCS)?

YES

NO

Note: If you answered yes, move to Section 8. No further contact with the utility or company is required. If you answered no, answer the question in Section 7 b. and answer the question in Section 7 c. if relevant.

b. If this is not an appeal from a BCS decision, have you spoken to a utility or company representative about this complaint?

YES

NO

Note: You must contact the utility first if (1) you are a residential customer, (2) your complaint is against a natural gas distribution utility, an electric distribution utility or a water utility AND (3) your complaint is about a billing problem, a service problem, a termination of service problem, or a request for a payment agreement.

- c. If you tried to speak to a utility company representative about your complaint but were not able to do so, please explain why.

*I did speak to several Reps. but ALL to NO AVAIL*

**Note:** Even if you are not required to contact the utility or company, you should always try to speak to a utility or company representative about your problem before you file a Formal Complaint with the PUC.

**8. Legal Representation**

If you are filing a Formal Complaint as an individual on your own behalf, you are not required to have a lawyer. You may represent yourself at the hearing.

If you are represented by a lawyer in this matter, provide your lawyer's name, address, telephone number, and e-mail address, if known. Please make sure your lawyer is aware of your complaint. If represented by a lawyer, both you and your lawyer must be present at your hearing.

Lawyer's Name \_\_\_\_\_

Street/P.O. Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Area Code/Phone Number \_\_\_\_\_

E-mail Address (if known) \_\_\_\_\_

**Note:** Corporations, associations, partnerships, limited liability companies and political subdivisions are required to have a lawyer represent them at a hearing and to file any motions, answers, briefs or other legal pleadings.

**9. Verification and Signature**

You must sign your complaint. Individuals filing a Formal Complaint must print or type their name on the line provided in the verification paragraph below and must sign and date this form in ink. If you do not sign the Formal Complaint, the PUC will not accept it.

Verification:

I, Robert Heller, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Robert Heller 1-12-13  
(Signature of Complainant) (Date)

Title of authorized employee or officer (only applicable to corporations, associations, partnerships, limited liability companies or political subdivisions)

Note: If the Complainant is a corporation, association, partnership, limited liability company or political subdivision, the verification must be signed by an authorized officer or authorized employee. If the Formal Complaint is not signed by one of these individuals, the PUC will not accept it.

10. **Filing**

You may electronically file your Formal Complaint with the PUC. To do so, you need to establish an account on the PUC's eFiling system, which may be accessed at <http://www.puc.pa.gov/efiling/default.aspx>.

If you do not electronically file your Formal Complaint, mail the completed form (along with any attachments) to one of the addresses listed below:

If using U.S. Postal Service:

If using overnight delivery service:

Secretary Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3265	Secretary Pennsylvania Public Utility Commission 400 North Street Commonwealth Keystone Building, 2 <sup>nd</sup> Floor Harrisburg, Pennsylvania 17120
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Note: Formal Complaints sent by fax or e-mail will not be accepted.

If you have any questions about filling out this form, please contact the Secretary's Bureau at 717-772-7777.

Keep a copy of your Formal Complaint for your records.

**EXHIBIT “2”**

Docket No. R-2010-2161575

Rate Case Settlement  
Exhibit # 2

PECO Energy Company (Electric)  
Rate Year Ended December 31, 2011  
Rate Design- Rate Classes Residential (R) and Off-Peak (OP)

Line	Customer Charges	PRESENT RATES		PROPOSED RATES		Working Capital Transferred to CSA	EEPC	Variable Rates Recovered in Distribution
		Rate	Revenue	Rate	Revenue			
1	Rate R (includes OP)	\$5.31	71,120,352	\$7.25	97,104,059			
2	Rate RT	\$10.48	1,500	\$7.25	1,038			
3	R CAP A	\$5.31	5,954	\$7.25	8,130			
4	R CAP B	\$5.31	734,390	\$7.25	1,008,159			
5	R CAP C	\$5.31	1,223,667	\$7.25	1,670,731			
6	R CAP D	\$5.31	3,946,872	\$7.25	5,252,321			
7	R CAP E	\$5.31	2,324,212	\$7.25	3,173,360			
8	Rate OP	\$4.65	79,260,947	\$1.75	108,217,797			
9	Total Customer Charges	\$4.65	4,666,769	\$1.75	1,672,755			
10	Total Customer Charges	\$5.31	15,882,433	\$7.25	109,890,552			
12	kWh-Based rates							
13	Rate R	500 kWh	Rate	Revenue	Rate	Revenue		
14	> 500 kWh-Winter	5,384,106,486	\$0.0486	261,467,575	\$0.0556	299,356,321	0.0034	\$0.0586
15	> 500 kWh-Summer	1,983,194,765	\$0.0486	96,383,266	\$0.0556	110,265,629	0.0034	\$0.0586
16		1,770,046,240	\$0.0562	99,476,599	\$0.0556	98,414,571	0.0034	\$0.0586
17	Rate RT	Off-peak	96,217	1,992	\$0.0556	5,350	0.0034	\$0.0586
18		Peak Summer	16,350	1,292	\$0.0556	909	0.0034	\$0.0586
19		Peak Winter	23,368	1,697	\$0.0556	1,299	0.0034	\$0.0586
20	R CAP A	1000 kWh	\$0.0207	1,992	\$0.0556	5,350	0.0034	\$0.0586
21		Next 500 kWh	\$0.0481	8,314	\$0.0556	9,610	0.0034	\$0.0586
22								
23	R CAP B	650 kWh	\$0.0041	281,720	\$0.0556	3,820,400	0.0034	\$0.0586
24		Next 100 kWh Jul-Sep	\$0.0296	72,278	\$0.0556	135,766	0.0034	\$0.0586
25		Additional kWh	\$0.0430	975,994	\$0.0556	1,261,983	0.0034	\$0.0586
26								
27	R CAP C	650 kWh	\$0.0090	1,012,035	\$0.0556	6,252,126	0.0034	\$0.0586
28		Next 100 kWh Jul-Sep	\$0.0299	123,757	\$0.0556	230,130	0.0034	\$0.0586
29		Additional kWh	\$0.0438	1,672,286	\$0.0556	2,122,811	0.0034	\$0.0586
30								
31	R CAP D	650 kWh	\$0.0208	7,410,747	\$0.0556	19,809,497	0.0034	\$0.0586
32		Additional kWh	\$0.0447	4,842,633	\$0.0556	6,823,498	0.0034	\$0.0586
33								
34	R CAP E	650 kWh	\$0.0335	7,074,405	\$0.0556	11,741,400	0.0034	\$0.0586
35		Additional kWh	\$0.0455	3,076,201	\$0.0556	3,759,050	0.0034	\$0.0586
36								
37	Rate OP	10,130,440,171	\$0.0375	484,082,790	\$0.0556	563,252,474	0.0034	\$0.0586
38	Total Distribution Charges	290,625,621	\$0.0375	10,898,461	\$0.0556	16,158,785	0.0034	\$0.0586
39		10,421,065,792		494,981,251		579,411,258		
40								
41	CAP discount- Non-distribution							
42	CAP discount- Distribution							
43	New Cap Discount							

(77,724,000)

**EXHIBIT “3”**

Docket No R-2010-2161575  
PECO Statement #9

- 1 20. Q. Explain why PECO proposes to eliminate the Rate OP pricing advantage for  
2 distribution service.
- 3 A. The pricing structure of Rate OP is also a vestige of "bundled" rates that had included  
4 the cost of generation. As such, that pricing structure is not justified for the recovery  
5 of distribution charges after the transition to competitively procured generation for  
6 default service. PECO's cost-of-service for kilowatt hours distributed under Rate OP  
7 is the same as its cost-of-service for regular residential service. Therefore, PECO  
8 proposes the same variable distribution charge for this service. In order to equalize  
9 the variable distribution charges of rate OP and Rate R, any increase in Rate OP will  
10 be allocated first to the variable distribution charge. As a result of this change, the  
11 Rate OP customer charge is being reduced from \$4.65 to \$2.00 per month. A  
12 customer charge is still necessary for Rate OP because customers served under this  
13 rate schedule have a separate meter for this service.
- 14 21. Q. Will there be other options for Rate OP customers?
- 15 A. Yes. As part of its energy efficiency filing, the Company proposed a direct load  
16 control rate that can be used by Rate OP customers. Additionally, the Company, as  
17 required under Act 129, will, at a future date, be proposing time-of-use rates and/or  
18 real time pricing rates. While some of these options might not be available at January  
19 1, 2011, I would note that Rate OP customers will still be getting a significant benefit  
20 in generation pricing until January 1, 2013.
- 21 22. Q. Explain why PECO proposes to eliminate Rate R-T.

# **EXHIBIT “4”**

**PECO Energy Company**

**RATE OP OFF-PEAK SERVICE**

**AVAILABILITY.**

In conjunction with Rates R, RT, R-H and with residence service under Rate GS, for any customer receiving service at 120/240 volts, 3 wires, or 120/208 volts, 3 wires, for the operation of 240-volt or 208-volt domestic equipment of a type approved by the Company. Any load connected for service under Rate OP may not be connected for service under any other rate during the period that service under Rate OP is interrupted. Service will be interrupted during on-peak periods as established by the Company. This rate is not available when the source of supply is service purchased from a neighboring company under a borderline-purchase agreement. Effective January 1, 2004, service under Rate OP will be restricted to service locations receiving Rate OP service or that are the subject of a Rate OP service application as of December 31, 2003. Effective January 1, 2013 (last bill issued December 31, 2012) this rate will no longer be applicable in its current form.

**SPECIAL RULES AND REGULATIONS.**

The normal control device furnished by the Company has a limited capacity. The customer shall notify the Company before connecting any load in addition to an existing water heater. If necessary, the Company will install a control device with a rating of 200 amperes to accommodate the additional 240-volt controlled load. For controlled loads larger than 200 amperes the control device shall be furnished, installed and maintained by the customer. Service may be interrupted for a total of not more than 6-1/2 hours per day during scheduled periods which may vary from customer to customer.

The Company has a program to replace seven-day clock control devices as they fail with five-day radlo-control devices which provide uninterrupted service on Saturdays, Sundays and holidays.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE: \$1.75 per month

VARIABLE DISTRIBUTION SERVICE CHARGE: 6.05¢ per kWh

(I)

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 1

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

**PAYMENT TERMS.** Standard.

(I) Denotes Increase