

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

PECO Energy Company - Electric

**Public Meeting April 4, 2013
2290911 - BCS
Docket No. M-2012-2290911**

STATEMENT OF COMMISSIONER PAMELA A. WITMER

Before the Commission today for approval is the Final Order regarding the Universal Service and Energy Conservation Plan (USECP) of PECO Energy Company (PECO) for 2013 through 2015. The Commission's action today approves PECO's existing tiered Customer Assistance Program (CAP) structure despite issues expressed in both our Tentative Order of November 8, 2012 and the Final Order before us today.

In its analysis of PECO's performance under its current USECP, both PECO's third party evaluator and the Bureau of Consumer Services (BCS) found "several potential areas of concern and potential deficiencies inherent in PECO's CAP program administration resulting in customer unaffordability, confusion, and misunderstanding." Specifically, BCS found cases demonstrating that CAP customers were paying 20 percent or more of their income under CAP payment arrangements and that PECO's practice of providing in-CAP payment agreements may create customer confusion. In addition, PECO's program design led to the accrual of \$25 million in arrearages that the company decided to simply forgive rather than attempt to recover. If the current structure is left in place, similar arrearages will build again.

Such a track record creates significant concerns for me in approving PECO's current USECP design going forward. Unfortunately, the parties did not present viable alternatives that are readily available to us. The Percent of Income Programs (PIPs) used in other jurisdictions are not without some concern having created situations where customers' CAP credits run out before the end of the year. While PECO's alternative proposal to double the amount of tiers may lead to some modest gains in affordability, I believe they will also further exacerbate the customer confusion already engendered by the current tier structure. Although I am intrigued by the Fixed Credit PIP option offered by the Office of Consumer Advocate, as it appears to be similar to programs offered by retail suppliers in other states, I agree that the record needs to be more fully developed to further examine whether this alternative could address some of the recurring issues that presently exist in PECO's current USECP.

Absent other currently viable alternatives, I will reluctantly vote in favor of the Order before us today. However, my expectations going forward are that PECO will take the next two years to develop an alternative CAP structure proposal that both increases affordability and reduces customer confusion.

I note that this Commission first recommended that PECO move to a PIP structure in 2000 and that significant concerns were raised about PECO's tiered program at each subsequent submittal, including those of PECO's third party evaluator raising concerns about the affordability of PECO's CAP program. The existing approach employed by PECO is untenable in the long term.

DATE: April 4, 2013


PAMELA A. WITMER, COMMISSIONER