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PULP

PENNSYLVANIA
UTILITY LAW PROJECT

May 23, 2013

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 No. P-2012-2283641**

Dear Secretary Chiavetta:

Enclosed please find the prehearing Memo filed on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") in the captioned proceeding regarding PECO's Petition for Approval of its CAP Shopping Plan.

Service has been made pursuant to the enclosed Certificate of Service.

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

Respectfully submitted,

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

CC: Hon. Cynthia Williams Fordham, Administrative Law Judge
Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for Approval :
of its Default Service Program : P-2012-2283641
:

PREHEARING MEMORANDUM OF THE
COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA REGARDING
THE PETITION OF PECO ENERGY COMPANY
FOR APPROVAL OF ITS
CUSTOMER ASSISTANCE PROGRAM SHOPPING PLAN

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum pursuant to the May 16, 2013 Prehearing Order of Administrative Law Judge Cynthia Williams Fordham. On May 1, 2013, PECO Energy Company, Inc. (“PECO”) petitioned the Pennsylvania Public Utility Commission (“Commission”) to approve its Customer Assistance Program Shopping Plan.

I. History of the Proceeding

On January 13, 2012, PECO Energy Company (“PECO” or the “Company”) filed a Petition for Approval of its Default Service Program (“Petition”) to this Docket No. P-2012-2283641. 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 Act¹ (“AEPs Act”), and

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

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 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 at Docket No. P-2012-2283641. Intervention was granted on March 19, 2012, and CAUSE-PA has actively participated as a party in this proceeding.

In its Opinion and Order entered on October 12, 2012, the Commission directed PECO to develop a Shopping Plan that will allow its Customer Assistance Program (“CAP”) customers to purchase generation supply from electric generation suppliers (“EGSs”) by January 1, 2014.

On November 8, 2012, the Commission issued a Tentative Order seeking comments on specific aspects of *PECO Energy Company Universal Service and Energy Conservation Plan for 2013-2015* (“Universal Services Plan” or “USEC Plan”) at Docket M-2012-2290911.

Upon review of the comments and reply comments filed pursuant to the November 8, 2012 Tentative Order, the Commission noted that some interested parties share the Commission’s concerns and some have requested the opportunity to participate in an evidentiary proceeding before an Administrative Law Judge (“ALJ”) to more fully review and analyze relevant data.

On January 3, 2013, a Secretarial Letter was issued to address procedural issues in the PECO Energy Company, Inc. (“PECO”) Default Service Plan and Universal Service and Energy Conservation Plan proceedings. In an effort to issue a Final Order on PECO’s Universal Service and Energy Conservation Plan for 2013-2015 before PECO filed its plan that allows CAP customers to shop for generation supply (Shopping Plan), the matters were assigned to the Office of Administrative Law Judge to conduct any necessary evidentiary hearings and briefing, and

certify the record (if any) regarding the Universal Service and Energy Conservation Plan to the Commission by March 1, 2013.

Hearings were held and PUC ALJ Fordham certified the record in the Universal Service and Energy Conservation Plan proceedings at Docket No. M-2012-2290911 and for Docket No. P-2012-2283641 by March 1, 2013.

On April 4, 2013 the Commission entered its Final Order on the amended Universal Service and Energy Conservation Plan for 2013-2015, as filed by PECO Energy Company on October 15, 2012. In its Final Order, the Commission partially approved PECO's plan and ordered PECO to file a second amended Universal Service and Energy Conservation Plan for 2013-2015 within 30 days.

In the instant petition, PECO requests that the Commission enter an Order: 1) approving the CAP Shopping Plan; (2) approving the proposed changes to the Company's Electric Tariff and Electric Generation Supplier Coordination Tariff (the "Supplier Tariff") to implement the Plan and achieve full and current recovery of Plan costs; (3) granting a waiver of the quarterly reconciliation provisions of the Commission's regulations (52 Pa. Code §§ 54.187(i) and (j), to the extent necessary, to implement an annual reconciliation of the over/under collection component of the Generation Supply Adjustment ("GSA") for residential customers; and (4) approving a short delay in the commencement date of the Plan from April 1, 2014, to April 15, 2014, to accommodate the Company's information technology ("IT") programming and integrated software schedule.

II. Proposed plan and schedule of discovery

CAUSE-PA is will amicably work with all parties to establish a proposed plan and schedule for discovery, which, given the limited resources of low-income stakeholders will need to be both reasonable and capable of compliance.

III. Possibility of settlement

CAUSE-PA is amenable to the possibility of settlement and available for discussions and negotiation of any issues within this proceeding which may potentially result in settlement.

IV. Issues to be Presented

PECO must obtain Commission approval of its proposed Shopping Plan for its Customer Assistance Program (“CAP”) participants. The Shopping Plan must be compatible with the final Commission approved Universal Service and Energy Conservation Plan for 2013 through 2015 (“Plan”) and the Public Utility Code and Commission regulations regarding universal service and energy conservation policies, activities and services for residential electric customers as the term “universal service and energy conservation” includes customer assistance programs (“CAPs”), termination of service protection, and policies and services that help low-income customers to reduce or manage energy consumption. 66 Pa.C.S. § 2403, 52 Pa. Code § 54.72. .

While there may be additional issues regarding PECO’s integration of its CAP shopping proposal into its Universal Services Plan that may need to be addressed, at this point, CAUSE-PA has preliminarily identified the following issues that it will address in this proceeding:

- a. Will PECO’s CAP Shopping Plan ensure that CAP customers maintain their full universal service program protections;
- b. Will PECO’s CAP Shopping Plan ensure that CAP customers experience no reduction or loss of benefits as a result of shopping;
- c. Will PECO’s CAP Shopping Plan result in CAP customers’ monthly asked to pay amounts which are affordable;

- d. Will PECO's CAP Shopping Plan ensure that the competitive price charged to them is always at or below PECO's Price to Compare; and if so how will that be accomplished;
- e. Will PECO's CAP Shopping Plan ensure that CAP customers who leave CAP are able to switch to an alternate supplier or back to the Default Service Provider at any time without any fee or penalty;
- f. Will PECO's CAP Shopping Plan ensure CAP customers are exempt from security or other deposit requirements that an EGS might otherwise impose;
- g. Will PECO's CAP Shopping Plan ensure that CAP customer who choose to switch to an alternate supplier are provided with written information regarding the rights and responsibilities of CAP customers;
- h. Will PECO's CAP Shopping Plan ensure that the written materials provided, as well as any other communications to CAP and potentially CAP eligible consumers, are clear, in plain language, prominently displayed and comprehensive; and
- i. Will PECO's CAP Shopping Plan ensure that non-English speaking customers will be provided the same materials and information as English speaking customers.

CAUSE-PA intends to fully explore these issues through discovery and testimony of its witness.

V. Amount of hearing time needed

CAUSE-PA anticipates that two days will be adequate for hearings and has no objection to PECO's proposed hearing dates of July 10-11, 2013.

VI. Witnesses

Cause-PA intends to sponsor the following witness

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VII. Service on CAUSE-PA

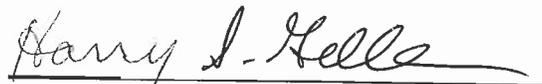
CAUSE-PA consents to accept electronic delivery of documents on the deadlines for their filing, if followed by one (1) hard copy delivered by first class mail to its counsel of record:

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VIII. Conclusion

CAUSE-PA respectfully requests that its Prehearing Memorandum be entered into the record of this proceeding.

Respectfully submitted,
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Counsel for CAUSE-PA



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Date: May 23, 2013

Petition of PECO Energy Company for Approval :
of its Default Service Program : **P-2012-2283641**

Certificate of Service

I hereby certify that in accordance with the requirements of 52 Pa. Code § 1.54, I have this day served copies, in the manner stated below, of the attached Prehearing Memo upon the parties designated in the Service List attached to the May 16, 2013 Pre-Hearing Order of Cynthia Williams Fordham, Administrative Law Judge.

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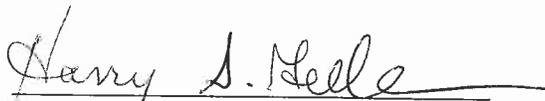
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