



Exelon Business Services Company
Legal Department
2301 Market Street/S23 1
Philadelphia PA 19103
215 568 3389 Fax
www.exeloncorp.com

Direct Dial: 215.841.6841

October 30, 2013

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

RE: Eunice Burch v. PECO Energy Company
PUC Docket No.: F-2012-2328890

Dear Ms. Chiavetta:

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

- Answer
- Answer & New Matter
- Motion Objecting to Continuance Request
- Motion for Judgment on the Pleadings
- Motion to Admit Exhibits
- Preliminary Objection
- Exceptions
- X** 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

cc: Eunice Burch (via First Class Mail)

REPLY EXCEPTIONS

PECO Energy Company (“PECO Energy”) hereby replies to the Exceptions filed by Eunice Burch (“Complainant”) in the above-referenced matter on October 24, 2013. On October 5, 2012, Complainant filed a formal complaint against PECO Energy. In her formal complaint, Complainant disputed all of her bills with PECO Energy and alleged that the monthly billed amounts were not affordable to her as a Customer Assistance Program (“CAP”) customer. The Complainant requested that PECO Energy inform her of the set CAP rate she should pay per month. PECO Energy filed an Answer with New Matter on October 23, 2012, stating that Complainant is presently enrolled in PECO Energy’s Customer Assistance Program (“CAP”) and that the balance is comprised of CAP arrears. An in person hearing was held before Administrative Law Judge Marta Guhl (“ALJ Guhl”) on May 8, 2013. ALJ Guhl issued an Initial Decision on August 22, 2013, wherein she held *inter alia*:

The evidence presented by PECO in this proceeding on the issue of overbilling is persuasive. The Complainant was able to show that there was an issue related to the Tiers for the CAP program, but the Company has already resolved this issue by providing a credit to the household’s account. Because the Complainant has not sustained her burden of proof to establish a case of overbilling, the formal Complaint must be dismissed.

See, Eunice Burch v. PECO Energy, F-2012-2328890 (Order entered, Aug. 22, 2012).

The Commission should sustain the Initial Decision of ALJ Guhl. Complainant does not allege the ALJ made an error of law or abused her discretion in any manner. Instead, Complainant excepts to the decision issued by ALJ Guhl because she disagrees with her decision. Specifically in her exceptions, Complainant states:

It was for the Administrative Law Judge to determine whether CAP Household owe PECO a budget billing amount and is responsible for paying to PECO @ month an estimated Residential Service Rate R billing in the Household being on the CAP Program.PECO have been billing this household estimated Residential Service Rate R billing amounts that changes every three (3) months – with PECO reviewing

this household every three (3) months instead of every two (2) years even though the household income has been the same since June 2011.

Prior to the household monthly income decreasing the household was responsible for paying to PECO in full each month \$27. Common sense lets one know that the PECO monthly billing amount should be in an amount lessor than \$27 in the household monthly income changing from \$1400 - \$700; PECO, however, increased the billing amount to \$42 and within three (3) months increased the amount to \$82 with the amount continuing in increasing to almost \$150.

These acts of PECO are inconsistent and contrary to the CAP Program as it jeopardizes the Household ability to pay subjecting the household PECO Service being shut-off.

Budget Billing conflicts the program designed for low-income house as PECO Budget Billing jeopardizes the household from receiving the utility service in the billing cycle being estimated Rate R billing that changes every (3) months irregardless of the household gross monthly income – while the CAP Program consider the household monthly income not to change within a two (2) year limit.

The Complainant's exceptions surround her confusion between the CAP program and budget billing. The record demonstrates that the Complainant's household is enrolled in the CAP program. N.T. 51. The CAP program is based on income and provides the Complainant with a discount on her total bill based on the customer's usage. N.T. 55, 59-60. In addition to being enrolled in the CAP program, the Complainant is also enrolled in the company's budget billing option. N.T. 57. Budget billing permits customer's to spread out the amount they pay for electric usage over a 12 month period. The budget billing average is reviewed and adjusted every three months based on the customer's usage. N.T. 53-54. Neither the Complainant nor anyone from her household has asked to be removed from the budget billing option. N.T. 57. At the time of the hearing, the Complainant's outstanding balance for electric service was \$267.75. The entire balance is comprised of CAP arrears. N.T. 70; PECO Exh. 1.

The Complainant argues in her exceptions that under the CAP program, her household is only responsible for paying a flat fee of \$27 every month. She argues that despite the fact that

her income has decreased from \$1400 to \$700 per month, PECO Energy has still increased the monthly billing amount she owes from \$27 to \$42 than to \$82 and then to almost \$150. What the Complainant fails to understand is that the CAP program does not give customers a blanket flat fee to pay every month regardless of their usage. The Complainant believes that since she is enrolled in the CAP program, she is entitled to pay a flat fee of only \$27.00 per month irrespective of the amount of electric service she uses. This is simply not the manner in which the CAP program operates. CAP offers customers a discount on their total electric bill based on the specific income tier for which they qualify – not a blanket flat fee the customer pays based on the level of affordability. The Complainant believes by simply being enrolled in the CAP program, she will pay a standard charge per month for electric service and use as much electricity as she wants because her income entitles her to pay a flat fee.

The Complainant correctly states that every two years, PECO Energy reviews the Complainant's household income. Income verification and review is performed every two years during the CAP recertification process. However, the Complainant incorrectly believes that PECO Energy is reviewing her income every three months. What PECO Energy is reviewing every three months is the Complainant's electric usage to determine what the average increase or decrease should be in her budget billing amount. Budget billing requires the usage to be reviewed every three months to take account of the amount the Complainant is actually using in electric service. PECO Energy takes an average of the amount used and that is the budget bill. In the Complainant's case, her budget bill was initially set at \$27 per month. After three months, this amount increased based on her increased usage to \$42, then to \$82, etc.

ALJ Guhl correctly concluded that the Complainant has not sustained her burden of proof to establish a case of overbilling. As ALJ Guhl astutely determined:

Some of the issue here appears to be the Complainant's confusion regarding differences between the CAP program and budget billing. However, the Respondent's witness offered credible testimony that the household's bill can still fluctuate and increase based on the usage, which in this particular instance has increased. The evidence presented by PECO in this proceeding on the issue of overbilling is persuasive.....Because the Complainant has not sustained her burden of proof to establish a case of overbilling, the formal Complaint must be dismissed.

See Initial Decision (emphasis added), p. 13.

Finally, the record clearly demonstrates that the Complainant's \$267.75 balance is comprised of CAP arrears. Consequently, the PUC has no jurisdiction to give the Complainant a payment arrangement on this amount. As ALJ Guhl correctly stated in her Initial Decision, 66 Pa. Code § 1405(c) prohibits bills incurred while on CAP to be the subject of payment agreements negotiated or approved by the Commission. 66 Pa. C.S. § 1405(c). 66 Pa.C.S. § 1405(c) provides that, "(c)ustomer assistance program rates shall be timely paid and shall not be the subject of payment agreements negotiated or approved by the commission." The \$267.75 balance owed is comprised of CAP arrears. Consequently, pursuant to 66 Pa.C.S. § 1405(c), the PUC has no jurisdiction to give the Complainant a payment agreement on the \$267.75 balance. ALJ Guhl's Initial Decision correctly applied the standard, by denying the Complainant a payment agreement on the \$267.75 balance pursuant to 66 Pa.C.S. § 1405(c).

For the reasons set forth above, PECO respectfully requests that the Commission deny the Exceptions and issue an Order upholding the Initial Decision in its entirety.

Respectfully submitted,



Shawane L. Lee
Counsel for PECO Energy Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
Direct Dial: 215.841.6841
Fax: 215.568.3389

EUNICE BURCH

COMPLAINANT

v.

PECO ENERGY COMPANY,

RESPONDENT

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Docket Nos. F-2012-2328890

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: October 30, 2013

Shawane L. Lee

