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March 27, 2014

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**RE: Petition of PECO Energy Company for Approval of Its Default Service Program for the Period From June 1, 2015 Through May 31, 2017; Docket No. P-2014-2409362**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Petition to Intervene and Answer of the Philadelphia Area Industrial Energy Users Group ("PAIEUG"), in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Charis Mincavage', written in a cursive style.

Charis Mincavage

Counsel to the Philadelphia Area Industrial Energy Users Group

Enclosure

c: Administrative Law Judge Cynthia W. Fordham (via E-mail and First-Class Mail)  
Certificate of Service

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## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Charis Mincavage

Counsel to the Philadelphia Area Industrial  
Energy Users Group

Dated this 27<sup>th</sup> day of March, 2014, in Harrisburg, Pennsylvania.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company :  
for Approval of Its Default Service Program : Docket No. P-2014-2409362  
for the Period From June 1, 2015 Through :  
May 31, 2017 :

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**PETITION TO INTERVENE AND ANSWER  
OF THE PHILADELPHIA AREA INDUSTRIAL  
ENERGY USERS GROUP**

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Pursuant to Sections 5.71 through 5.74 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations, 52 Pa. Code §§ 5.71 - 5.74, the Philadelphia Area Industrial Energy Users Group ("PAIEUG") hereby files this Petition to Intervene in the above-captioned proceeding. In addition, pursuant to Section 5.61(a) of the Commission's Regulations, 52 Pa. Code § 5.61(a), PAIEUG hereby files this Answer in response to the above-captioned filing of PECO Energy Company ("PECO" or "Company").

PECO has petitioned the Commission for approval of the Company's third Default Service Program ("DSP III"). PECO's Petition for Approval of DSP III ("Petition") outlines the Company's proposed procurement plan, implementation plan, and contingency plan for acquiring default service energy supply for all PECO customers who, upon expiration of DSP II on May 31, 2015, do not take generation service from an alternative electric generation supplier ("EGS") or who contract for energy, with an EGS, which is not delivered. Petition, p. 2. The Company's filing proposes to continue most of the existing products and programs approved under PECO's DSP Phase II. Id.

The proposed DSP III would apply to all retail customers in PECO's service territory. PECO proposes separate treatment for the four customer rate classes: Residential; Small Commercial; Medium Commercial; and Large Commercial and Industrial ("C&I"). Id. at 7. The

Large C&I class consists of customers taking service on rate schedules GS, HT, PD, and EP that have a peak load greater than 500 kW. See id.

For Large C&I customers, PECO proposes to continue to procure all default service supply through spot-priced full requirements contracts as in DSP II. Id. at 10.

PECO proposes to recover from all Load-Serving Entities ("LSEs"), including EGSs, costs related to PJM meter error correction charges. Id. at 13. The Petition also proposes to modify PECO's current practice of collecting generation deactivation charges from wholesale suppliers serving its default service customers and instead recover generation deactivation charges from default customers through the bypassable Transmission Service Charge ("TSC"). Id.

In support of its Petition to Intervene and Answer, PAIEUG asserts the following:

#### **I. PETITION TO INTERVENE**

1. PAIEUG is an ad hoc group of energy-intensive customers receiving electric service from PECO under Rates HT and PD. PAIEUG members use substantial volumes of electricity in their manufacturing and operational processes, and these electric costs are a significant element of their respective costs of operation. Any modification to PECO's electric rates may impact PAIEUG members' cost of operations.

2. For purposes of this proceeding, PAIEUG includes the members listed in Attachment A hereto. As necessary, PAIEUG will update Attachment A during the course of this proceeding as needed to reflect any changes in its membership.

3. PAIEUG members are concerned with issues regarding the terms and conditions of their electricity service and are monitoring PECO's proposed DSP III. The Commission's final disposition of this proceeding will directly affect the rates applicable to PAIEUG members for default service. As some of PECO's largest customers, PAIEUG members are in a unique

position to comment to the Commission on the customer impact of PECO's filings and their consequences for Large C&I customers.

4. PAIEUG members thus have an interest in this proceeding that is not represented by any other party of record; consequently, PAIEUG satisfies the standards for intervention under Section 5.72 of the Commission's Regulations, 52 Pa. Code § 5.72.

5. The names and address of PAIEUG's attorneys are:

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## II. ANSWER

6. PAIEUG has concerns with certain modifications proposed through PECO's DSP III. For example, PECO proposes to recover generation deactivation charges from default service customers through PECO's bypassable TSC. *Id.* at 13. Because the TSC is a default service rate applicable to PECO's largest customers, PAIEUG will review PECO's allocation of generation deactivation to confirm that costs are properly allocated between customer classes.

7. PAIEUG will also review PECO's proposal to have PJM Interconnection, LLC ("PJM") allocate meter adjustment charges to all Load Serving Entities.

8. Additionally, PECO's DSP III references the Commission's ongoing review of default service plans filed by the Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (the "FirstEnergy Companies") where intervening parties have petitioned for implementation of a non-bypassable charge for recovery of certain non-market based PJM charges. PECO Statement No. 2, p. 18.

While PECO has not proposed to adopt such a non-bypassable charge, the Company indicates that it will take into consideration any Commission direction to the FirstEnergy EDCs... " Id. As such, PAIEUG is concerned with any changes PECO might propose resulting from the First Energy Companies' proceeding.

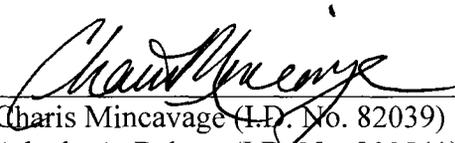
9. PAIEUG reserves the right to raise and address additional issues of concern during the course of the proceeding based on further review of the Petition, issues identified via discovery, and issues raised by other parties.

### **III. CONCLUSION**

**WHEREFORE**, the Philadelphia Area Industrial Energy Users Group respectfully requests that the Pennsylvania Public Utility Commission grant this Petition to Intervene, providing PAIEUG with full-party status in this proceeding, as well as any other relief as it deems necessary.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By   
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Counsel to the Philadelphia Area Industrial  
Energy Users Group

Dated: March 27, 2014

**ATTACHMENT A**

**PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP**

Air Liquide America L.P.  
Boeing Company, The  
Building Owners & Managers Association of Philadelphia  
Drexel University  
GlaxoSmithKline  
Jefferson Health System  
Kimberly-Clark Corporation  
Merck & Co., Inc.  
Philadelphia College of Osteopathic Medicine  
Saint Joseph's University  
Temple University  
Villanova University

