



COMMONWEALTH OF PENNSYLVANIA

April 8, 2014

E-FILED

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

**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 is the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

As evidenced by the enclosed certificate of service, all parties have been served as indicate.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari
Assistant Small Business Advocate
Attorney ID No. 306921

Enclosures

cc: Parties of Record
Brian Kalcic

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PECO ENERGY COMPANY :
FOR APPROVAL OF ITS DEFAULT : **Docket No. P-2014-2409362**
SERVICE PROGRAM FOR THE PERIOD :
FROM JUNE 1, 2015 THROUGH MAY 31, 2017 :

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (the “Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA is Assistant Small Business Advocate Elizabeth Rose Triscari. Please address all correspondence as follows:

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II. BACKGROUND

On January March 10, 2014, PECO Energy Company (“PECO” or “the Company”) filed with the Commission the Petition of PECO Energy Company for Approval of Its Default Service Program for the Period From June 1, 2015 Through May 31, 2017 (“Petition”). The Petition seeks approval of PECO’s proposed third Default Service Program (“DSP III”) to secure default service supply for the Company’s customers for the period from June 1, 2015 through May 31, 2017.

On March 28, 2014, the OSBA intervened and filed an Answer in this proceeding in order to protect the interests of the Company’s small business customers.

Answers were also filed by the Office of Consumer Advocate (“OCA”) and the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (“CAUSE-PA”) on April 1, 2014.

Petitions to Intervene have been filed by CAUSE-PA, NextEra Power Marketing, LLC, Philadelphia Area Industrial Energy Users Group (“PAIEUG”), FirstEnergy Solutions Corp., Interstate Gas Supply, Inc., Direct Energy Services, LLC, Retail Energy Supply Association (“RESA”), Noble Americas Energy Solutions LLC, and PECO Energy Suppliers Group.

This matter has been assigned to Administrative Law Judge (“ALJ”) Cynthia Williams Fordham. ALJ Fordham issued a Prehearing Order on April 3, 2014, informing the parties that a telephonic prehearing conference will be held on April 10, 2014. The OSBA submits this prehearing memorandum in accordance with that Order.

III. WITNESS

Assisting in the development and presentation of the OSBA's position in this proceeding will be:

Mr. Brian Kalcic
Excel Consulting
Suite 720
225 S. Meramec Ave.
St. Louis, MO 63105
(314) 725-2511
(314) 725-2022 (fax)
excel.consulting@sbcglobal.net

The OSBA requests that all parties provide courtesy copies of all documents, including discovery, testimony and briefs, upon Mr. Kalcic, simultaneously with service upon the OSBA.

IV. IDENTIFICATION OF ISSUES

The OSBA is participating in this case to ensure that the interests of small business customers of PECO are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties, primarily through discovery, cross-examination of witnesses appearing for those parties, filing of testimony, and briefing of the issues that arise in this proceeding.

The OSBA has undertaken a preliminary review of the Petition, which has raised several issues of concern. Those issues include the following:

1. Whether PECO's default service procurement plan for Small Commercial (below 100 kW) customers consisting of laddered one-year fixed price full requirements products is appropriate;
2. Whether PECO's default service procurement plan for Medium Commercial (100 kW to 500 kW) customers consisting of six-month fixed price full requirements products, without laddering, is appropriate; and
3. Whether the Company's proposal to reconcile the GSA over- and under-collections of select procurement groups on a semi-annual (rather than quarterly) basis should be adopted.

The OSBA reserves the right to pursue additional issues as they may arise throughout the course of the proceeding.

V. DISCOVERY

The OSBA will cooperate with the ALJs and other parties to arrive at any mutually agreeable discovery modifications.

VI. SERVICE OF DOCUMENTS

The OSBA agrees to accept electronic mail delivery of documents on the due date as satisfying the in-hand requirement, *provided that such documents are followed by hard copy delivery to OSBA by first class mail*. Service by electronic mail *only* is not acceptable. The OSBA requests that such hard copies are also provided to its witness identified above.

In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witness identified above.

VII. SETTLEMENT

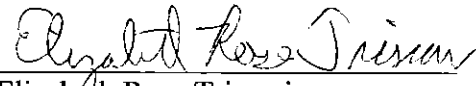
The OSBA is willing to enter into settlement discussions at the appropriate phase of this proceeding.

VIII. PROCEDURAL SCHEDULE

The OSBA will work with the ALJs and the parties to arrive at a mutually agreeable schedule. The OSBA supports the following procedural schedule proposed by OCA, which amends the procedural schedule proposed by the Company in its Petition. However, OSBA witness Mr. Kalcic is unavailable on July 15, 2014, the proposed first day of hearings. The OSBA would request that Mr. Kalcic be scheduled to appear on one of the other proposed hearing days.

Prehearing Conference	April 10, 2014
Other Parties' Direct Testimony	June 5, 2014
Rebuttal Testimony	June 26, 2014
Surrebuttal Testimony	July 9, 2014
Hearings (with Oral Rejoinder)	July 15-17, 2014
Main Brief	August 5, 2014
Reply Brief	August 19, 2014

Respectfully submitted,



Elizabeth Rose Triscari
Assistant Small Business Advocate
Attorney ID No. 306921

For:

John R. Evans
Small Business Advocate

Office of Small Business Advocate
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Dated: April 8, 2014

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company for :
Approval of Its Default Service Plan for the : **Docket No. P-2014-2409362**
Period from June 1, 2015 through May 31, 2017 :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-filing, e-mail, and/or first-class mail (unless otherwise noted) upon the persons addressed below:

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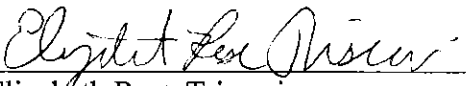
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Date: April 8, 2014