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August 21, 2014

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

**RE: Patricia Jackson and Adjuah Jackson v. PECO Energy Company
PUC Docket No.: C-2013-2347310**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is *PECO Energy Company's Reply Exceptions* with regard to the matter referenced above.

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,

A handwritten signature in black ink, appearing to read "Shawane Lee", with a stylized flourish at the end.

Shawane Lee
Counsel for PECO Energy Company

sl/LO

REPLY EXCEPTIONS

PECO Energy Company (“PECO Energy”) hereby replies to the Exceptions filed by Patricia Jackson (“Complainant”) in the above-referenced matter on August 11, 2014. On February 4, 2013, Complainant filed a formal complaint against PECO Energy. In her formal complaint, Complainant alleged an inability to pay her PECO bills and requested a payment arrangement. Respondent, PECO Energy filed an Answer with New Matter on March 11, 2013, stating that Complainant is not entitled to a new payment agreement as she defaulted on a previous Bureau of Consumer Services (“BCS”) payment agreement and has not demonstrated a decrease in income. An in-person hearing was held before Administrative Law Judge Eranda Vero (“ALJ Vero”) on March 14, 2014. ALJ Vero issued an Initial Decision on June 30, 2014, wherein she held *inter alia*:

That the formal Complainant filed by Patricia Jackson and Adjuah Jackson against PECO Energy Company at Docket No. C-2013-2347310 is dismissed in its entirety.

The Commission should sustain the Initial Decision of ALJ Vero. Complainants except to the decision issued by ALJ Vero because they claim their household size has subsequently changed; they have financial obligations in Africa, and ALJ Vero calculated Patricia Jackson’s income at \$19.00 per hour instead of \$16.01 per hour. The Complainants admit they previously defaulted on a payment agreement but they request another agreement. Specifically in their exceptions, Complainants state:

1. A lot of the information is technical in nature and I do not understand it sufficiently to file or submit the required exceptions.
2. There were some inaccuracies, as Patricia does not make \$19/her at stated, but \$16.01 per hour.
3. At the time of filing our complaint we were four living in the home. Adjuah’s grandson has since gone into the military, and Patricia’s son started college August 2013.

4. Patricia's son is away at West Chester University, but she bears the expense of supporting a child in college. In fact he is presently at home and has been home for summer vacation since May.
5. Our income may seem adequate, but both of us are originally from Africa and have financial obligations to meet. Patricia is still paying for the funeral expenses of her mother who passed one year ago in the US and was funeral zed (sic) and buried in Africa.
6. We would like for PECO to give us another and final payment arrangement, as we cannot pay the money owed in one payment and we do not want our services interrupted.
7. We admit that we did default on previous payment arrangements, but we promise that this time things will be different, and we shall definitely adhere to the arrangements.

In their exceptions, despite the Complainants' contentions that "this time things will be different" and the Complainants will adhere to another payment arrangement, the record reflects that the Complainants have defaulted on every payment agreement issued to them by PECO and the BCS. They are not entitled to another payment agreement. 66 Pa.C.S. § 1405(d) provides that absent a change in income, the Commission cannot grant a second or subsequent payment agreement, if the customer defaults on the first payment agreement.

In this case, the Complainants were issued three separate company payment arrangements between July 2009 and March 2014 and defaulted on each one. N.T. 49-52, PECO Exhibit 3. In addition, the Complainants were issued two previous payment agreements by the Bureau of Consumer Services. The BCS issued the first agreement under BCS Case No. 2646843 on May 24, 2010 for a Level 3 customer. PECO 3. The second agreement was issued under BCS Case No. 2958715 on April 25, 2012 for a Level 2 customer. PECO 3. Both agreements defaulted. At the time of the hearing, the Complainants could not demonstrate a change of income. In fact, their income had increased. ALJ Vero determined that the Complainants total gross household income was \$5,764.53 for two adults. Complainants argue in their exceptions that ALJ Vero incorrectly found that Patricia Jackson earns \$19.00 per hour instead of \$16.01 per hour. Even if this is true, Complainants total gross household income would reflect an increase from a Level 2

income to a Level 4 income. For instance Patricia's monthly income calculated at \$19.00 per hour vs. \$16.00 per hour only results in a decrease of \$518.27:

$\$19.00/\text{hour} \times 40 \text{ hours/week} \times 52 \text{ weeks/year} \text{ divided by } 12 \text{ months/year} =$	\$3,293.33
$\$16.01/\text{hour} \times 40 \text{ hours/week} \times 52 \text{ weeks/year} \text{ divided by } 12 \text{ months/year} =$	<u>\$2,775.06</u>
	\$518.27

Adjuah Jackson's gross monthly income was calculated at \$2,471.20 per month. The Complainants do not dispute this. Accordingly, if you take \$2,775.06 + \$2,471.20 per month the total gross monthly income is \$5,246.26. Complainants admit their son is away at college and a grandson is away at military college. Therefore, there are only two household members (Adjuah and Patricia). Two household members with a gross monthly income of \$5,256.26 puts the Complainants at a Level 4 income. Therefore, even if ALJ Vero incorrectly calculated Patricia's income at \$19.00 hour instead of \$16.01 per hour, the Complainants' income would still be Level 4.

Additionally, the Complainants had no significant change in circumstance to warrant another payment agreement in place of their previously defaulted agreements. The Complainants argue in their Exceptions that they are from Africa and have financial obligations to meet there and there are funeral expenses to pay for. However, this does not rise to the level of a "significant change in circumstance" to warrant another PUC agreement. Consequently, pursuant to 66 Pa. C.S. § 1405(d), the PUC has no jurisdiction to give the Complainant a payment agreement on the Complainants' \$2,726.21 balance.

ALJ Vero's Initial Decision correctly applied the standard, by denying the Complainants a payment agreement on the \$2,726.21 balance pursuant to 66 Pa. C.S. § 1405(d). As ALJ Vero concluded:

After carefully reviewing the record in this matter, I find that the Complainants have failed to carry the burden of proving that they have experienced a decrease in income that satisfies the definition of a

“change in income” pursuant to 66 Pa. C.S. §§ 1403 and 1405(d). With a gross household income of \$5,764.53 per month for a household of two, Adjua Jackson is now a level 4 income customer, which indicates an increase instead of a decrease in income. Consequently, the Commission lacks authority to issue a subsequent payment arrangement on behalf of Adjua Jackson.

” See Initial Decision, p. 19. Accordingly, ALJ Vero’s decision, dismissing the Complainants’ formal complaint should be upheld.

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,



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