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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: M. Heather Michail v. PECO Energy Company
PUC Docket No.: F-2014-2404586

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 M. Heather Michail (“Complainant”) in the above-referenced matter on August 15, 2014. On February 4, 2014, Complainant filed a formal complaint against PECO Energy. In her formal complaint, Complainant requested a payment arrangement. Respondent, PECO Energy filed an Answer on February 20, 2014, stating that Complainant is presently enrolled in PECO Energy’s Customer Assistance Program (“CAP”) and that the balance is comprised of CAP arrears. A telephonic hearing was held before Administrative Law Judge Mark A. Hoyer (“ALJ Hoyer”) on April 17, 2014. ALJ Hoyer issued an Initial Decision on July 28, 2014, wherein he held *inter alia*:

1. That the complaint of M. Heather Michail against PECO Energy Company at Energy Company at Docket No. F-2014-2404586 is hereby denied.

The Commission should sustain the initial decision of ALJ Hoyer. Complainant does not allege that ALJ Hoyer made an error of law or abused his discretion in any manner. Instead, Complainant excepts to the decision issued by ALJ Hoyer because she claims the balance requested is too high for her to manage and she wants it reduced. She additionally alleges that her expenses have increased. Specifically in her exceptions, Complainant states:

I am in receipt of your notice. As I stated I would like to pay and settle this case very much. Following the hearing both my hours at work (enclosed) and my rent was increased. I would like to pay though the amount requested is too high for me to manage. Can it please be reduced? I have made all payments (current) on time and would like to be a good customer in good standing. Please contact me. I need some assistance.

Pursuant to 52 Pa. Code 5.533(b), “[e]ach exception must . . . identify the finding of fact or conclusion of law to which exception is taken and cite relevant pages of the decision,” and “[s]upporting reasons for the exceptions shall follow each specific exception.” Complainant’s

attempt to further litigation in this matter by simply disagreeing with the outcome of the Initial Decision without identifying any specific error of law or abuse of discretion fails to satisfy the requirements is procedurally improper and should be dismissed summarily.

By way of further response, the record clearly demonstrates that the Complainant's \$6,534.90 balance consists of \$5,970.15 CAP arrears. Consequently, the PUC has no jurisdiction to give the Complainant a payment arrangement on this amount. Specifically, the record demonstrates that:

- The Complainant has been enrolled in PECO's Customer Assistance Program (CAP) since April 2006. As of the date of the hearing, the Complaint was an active participant in the program. PECO Energy Exhibit 2.
- As of the date of the hearing, the Complainant's account balance was \$6,534.90. PECO Energy Exhibit 1.
- As of the date of the hearing, all but \$564.75 of the Complainant's \$6,534.90 balance is subject to CAP rates. PECO Energy Exhibit 1.

As ALJ Hoyer correctly stated in his 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). \$5,970.15 of the Complainant's balance is comprised of CAP arrears. 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." Consequently, pursuant to 66 Pa.C.S. § 1405(c), the PUC has no jurisdiction to give the Complainant a payment agreement on the \$5,9780.15 balance, which is comprised of CAP arrears.

Further, the Complainant excepts to ALJ Hoyer's Initial Decision and requests that her inability to pay the balance should be considered. First, ALJ Hoyer was not required to

consider the Complainant's ability to pay the balance. The majority of the balance at issue is comprised entirely of CAP arrears; and therefore, ALJ Hoyer is not permitted to issue a payment agreement on this balance pursuant to 66 Pa.C.S. § 1405(c). Accordingly, this issue is not a basis to overturn ALJ Hoyer's decision.

ALJ Hoyer declined to place the remaining balance in the amount of \$564.75 that is not subject to CAP rates under a PUC agreement. ALJ Hoyer clearly stated the reason for this is because the Complainant has a poor payment:

In the instant case, Complainant is not entitled to a payment agreement from the Commission for the non-CAP portion of her arrearages (\$564.75). Complainant has defaulted on four previous payment agreements with PECO. In addition, she has failed to pay the full amount due and owing each month for her current usage. Complainant has failed to demonstrate a good faith effort to pay her electric bill. Accordingly, the request for a payment agreement is denied.

See Initial Decision, p. 5.

ALJ Hoyer's Initial Decision correctly applied the standard, by denying the Complainant a payment agreement pursuant to 66 Pa.C.S. § 1405(c). As ALJ Hoyer correctly concluded, the Commission's jurisdiction does not extend the ability to award a payment agreement on the CAP portion of the Complainant's balance. In addition, the Complainant is not entitled to a payment agreement on the non-CAP portion of her balance because she has demonstrated a poor payment history. Accordingly, ALJ Hoyer's decision dismissing the Complainant's 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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