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October 15, 2014

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

**RE: Alliance of Youth Mission Ministries v. PECO Energy Company**  
**PUC Docket No.: C-2014-2423794**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is *Respondent, PECO Energy Company's Pre-Hearing Memorandum* 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 long, sweeping underline.

Shawane Lee  
Counsel for PECO Energy Company

cc: Certificate of Service

sl/LO

SHAWANE L. LEE, ESQUIRE  
Attorney I.D. NO. 94555  
2301 Market Street, S23-1  
Philadelphia, PA 19103  
Telephone No. 215 841 6841

Attorney for Respondent  
PECO ENERGY COMPANY

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<b>ALLIANCE OF YOUTH MISSION</b>	:	
<b>MINISTRIES, INC.</b>	:	
<b>Complainant</b>	:	
	:	
<b>v.</b>	:	<b>DOCKET NO. C-2014-2423794</b>
	:	
<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	

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**RESPONDENT, PECO ENERGY COMPANY'S PRE-HEARING MEMORANDUM**

**A. NATURE OF THE CASE AND THEORY OF DEFENSE**

This matter arises from a building located at 3040 North 22<sup>nd</sup> Street, Philadelphia, PA 19132 that is operated as a boarding home. PECO Energy provides electric commercial service to the premises. The individuals who operate this establishment originally named their entity – Dillard House/NPO International Nursing Services (“NPO International”).

PECO Energy began civil litigation against NPO International in the Philadelphia Court of Common Pleas at docket number June Term 2010, No. 02449 for a \$35,404.42 debt. Essentially, NPO International had stopped paying electric bills to PECO Energy but continued to operate the boarding home using electric service. The civil matter proceeded to an arbitration hearing with attorney Robert Simmons, Esquire representing NPO International and Earnestine Brown as NPO International's representative. Ms. Brown entered into a settlement agreement with

PECO Energy whereby she signed a Stipulation of Judgment, agreeing to pay the \$35,404.42 debt in monthly installments. In addition, Ms. Brown requested that PECO Energy inspect 3040 North 22<sup>nd</sup> Street for alleged foreign wiring. The property at issue is a commercial property with commercial electric service. Accordingly, the Pennsylvania state foreign wiring laws are not applicable and the company has no duty under the law to inspect for foreign wiring. Nevertheless, on November 8, 2011, the company went to the property to investigate for foreign wiring and found no issues.

In January 2012, PECO Energy collections attorney, Lynn Zack, Esquire began to send letters to NPO International requesting payment of the \$35,404.42 debt after NPO International failed to make payments towards the Stipulated Judgment as agreed. In January 2012, with the assistance of their attorney, Robert Simmons, Esquire, NPO International, changed their corporate name to Alliance of Youth Mission Ministries and effectuated a sale of the property to this new entity. The corporate officers in NPO International and the new entity Alliance Youth remained the same, including Earnestine Brown and Dominique Dixon. In June 2012, Ms. Dixon applied for electric commercial service on behalf of Alliance Youth and provided a deed dated January 17, 2012. Accordingly, PECO Energy began service in Alliance Youth's name effective January 17, 2012. Essentially, with their attorney's assistance, NPO International successfully "name gamed" the company and changed its name to Alliance of Youth Mission Ministries thereby avoiding the \$35,404.42 debt and termination of electric service.

Despite the fact that Alliance Youth a/k/a NPO International got away with not paying \$35,404.42 to PECO Energy through the corporate name change, Alliance Youth disputed the January 17, 2012, start date and felt they should only be responsible for service from June 2012 because they claim they took possession of the property at that time. As a result, Alliance Youth filed a formal complaint at docket number C-2013-2358115, disputing an \$8,292.92 balance incurred from January 17, 2012 through June 2012.

PECO Energy argued that both the January and June service start dates were a fiction because the corporate entities were essentially the same – they had just changed the corporate name to avoid payment of the judgment and termination of service. The matter proceeded before Administrative Law Judge Christopher Pell and he agreed. In his Initial Decision, Judge Pell linked the NPO International corporate officers to Alliance Youth. Judge Pell dismissed Alliance's formal complaint against the company and noted that Alliance's assertion that NPO International occupied the service address and should be responsible for the \$8,292.92 balance incurred from January 2012-June 2012 was "unconvincing".

Alliance Youth filed exceptions to ALJ Pell's Initial Decision and the Exceptions were denied. The Commission upheld ALJ Pell's Decision and issued a Final Order and Opinion on April 3, 2014. Alliance Youth appealed the Commission's decision to the Commonwealth Court at docket number No. 759 C.D. 2014. On September 4, 2014, the Commonwealth Court dismissed Alliance Youth's Appeal for failing to pursue after Alliance Youth failed to timely file their brief.

In the interim, Alliance Youth continued to exhibit the same negative payment behavior as their alter-ego NPO International. During the Commission and Commonwealth appellate process, Alliance Youth failed to pay current electric charges and as of June 5, 2014 had incurred an unpaid balance of \$21,162.84. Accordingly, once PECO Energy obtained the Commission's Final order on April 3, 2014, PECO Energy took steps to begin the Landlord/Tenant termination process pursuant to 66 Pa. C.S. §1525 to recover the \$8,292.92 debt that the Commission determined Alliance Youth owed.

On June 5, 2014, Lynn Zack, Esquire sent correspondence to Alliance Youth informing them that PECO Energy was taking action to terminate their service pursuant to the procedures outlined under 66 Pa. C.S. §1525 and to prevent termination, Alliance Youth needed to pay \$8,292.92. In addition to the letter sent to Alliance Youth, PECO Energy posted notices to the occupants of 3040 North 22<sup>nd</sup> Street to give them notice the termination would take place and to give the occupants an opportunity to pay current charges in order to avoid termination. Finally, consistent with 66 Pa. C.S. §1525, PECO Energy contacted the City of Philadelphia, Licensing and Inspections, the City of Philadelphia Police Department and the City of Philadelphia, Department of Health to advise these entities that service would be terminated.

To prevent service termination, Alliance Youth filed the instant formal complaint. However, Alliance Youth did not take the appropriate appellate legal procedural steps to stay termination or collection on the \$8,292.92 debt pursuant to the appellate rules. Additionally, the occupants of 3040 North 22<sup>nd</sup> Street contacted

PECO Energy's Revenue Management department to make arrangements to pay current bills. Based on an agreement by the occupants with Revenue Management to pay current charges, PECO Energy agreed to delay termination. Despite the agreement, Alliance Youth's residents do not consistently pay the current billed charges on time and in full.

To date, the officers of NPO International/Alliance Youth continue to operate a boarding facility, and use electric service without paying, to the detriment of PECO Energy's ratepayers who must foot the bill. The current balance owed on Alliance Youth's account is \$23,096.67. PECO Energy avers that the company properly began termination proceedings against Alliance Youth to prevent a significant debt from incurring similar to the debt incurred by NPO International. PECO Energy avers that the termination procedures were carried out specifically and in compliance with 66 Pa. C.S. §1525. Accordingly, Alliance Youth's Formal Complaint should be dismissed.

**B. WITNESSES**

1. Jude Scarpello – Manager, Revenue Management, PECO Energy
2. Renee Tarpley– Senior Regulatory Assessor, PECO Energy
3. Thomas Lerro – High Bill Foreman, PECO Energy
4. Respondent, PECO Energy reserves the right to call any witnesses identified in Complainant's Pre-Hearing Memorandum and reserves the right to supplement the list of witnesses set forth above.

C. **EXHIBITS**

1. Photographs of termination notice posted at 3040 N. 22<sup>nd</sup> Street on June 27, 2014.
2. High Bill Field Report, dated November 8, 2011
3. High Bill Field Report, dated June 16, 2014
4. Meter Tests for meter number 334206970.
5. Correspondence from Lynn Zack, Esquire dated July 22, 2014, to City authorities
6. Correspondence from Lynn Zack, Esquire dated June 5, 2014 to Alliance Youth
7. All Correspondence from Lynn Zack, Esquire to Alliance regarding Landlord/Tenant Termination.
8. Customer Contacts from Customer Information Management System (CIMS).
9. Initial Decision, ALJ Christopher Pell, Alliance Youth v. PECO, C-2013-2358115.
10. Commission Final Order and Opinion, Alliance Youth v. PECO, C-2013-2358115
11. Final Order, Alliance Youth v. PUC, Commonwealth of Pennsylvania, September 4, 2014.
12. Alliance Youth, Account Activity Statement – 62477-07068.
13. Memorandum from Lynn Zack, Esquire dated April 7, 2014 re: Landlord/Tenant Termination Process.
14. All pleadings.
15. Any and all exhibits listed in Complainant's Pre-hearing Memorandum.
16. Respondent, PECO Energy reserves the right to supplement its Exhibit List prior to trial.

**D. SETTLEMENT**

To date, the parties have not entered into settlement discussions. PECO Energy offers to resolve the case for payment of the \$8,292.92 balance decided by the Commission as well as any past due charges on the account to bring the account current. In exchange, PECO Energy will waive all late payment charges.

**E. ESTIMATED HEARING TIME**

The hearing will last for approximately one-two days.



By:

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SHAWANE L. LEE, ESQUIRE  
Attorney for Respondent  
PECO Energy Company

Dated: October 15, 2014

SHAWANE L. LEE, ESQUIRE  
Attorney I.D. NO. 94555  
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Philadelphia, PA 19103  
Telephone No. 215 841 6841

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<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	

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**CERTIFICATE OF SERVICE**

I, Shawane Lee, hereby certify that I have this day served a true and correct copy of the foregoing document upon the interested parties and in the manner indicated below.

Service by first class mail:  
Ralph LaRue Smith  
Alliance of Youth Minitries Inc.  
3040 N. 22<sup>nd</sup> Street  
Philadelphia, PA 19132

Via Email & First Class Mail:  
Robert L. Simmons, Esq.  
3700 Gateway Drive, Suite 324  
Philadelphia, PA 19145-5948

Via Email & First Class Mail  
Darlene D. Heep, Adm. Law Judge  
Pa Public Utility Commission  
800 Market Street, Suite 4063  
Philadelphia, PA 19107

Dated: October 15, 2014



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Shawane L. Lee  
Counsel for PECO Energy Company  
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Philadelphia, PA 19101-8699  
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