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October 27, 2014

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

**RE: Andree Lombard v. PECO Energy Company**  
**PUC Docket No.: C-2014-2416855**

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

cc: Andree Lombard (via First Class Mail)  
Darlene Heep, Adm. Law Judge (via First Class Mail)

sl/LO

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**ANDREE LOMBARD  
COMPLAINANT**

**v.**

**PECO ENERGY COMPANY,  
  
RESPONDENT**

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**Docket No. C-2014-2416855**

**REPLY EXCEPTIONS OF PECO ENERGY COMPANY**

**Shawane L. Lee, Esquire  
2301 Market Street  
Philadelphia, PA 19103  
215.841.6841  
shawane.lee@exeloncorp.com  
Counsel for PECO Energy Company**

**DATE: October 27, 2014**

## REPLY EXCEPTIONS

PECO Energy Company (“PECO Energy”) hereby replies to the Exceptions filed by Andree Lombard (“Complainant”) in the above-referenced matter on October 21, 2014. On April 9, 2014, Complainant filed a formal complaint against PECO Energy. In her formal complaint, Complainant requested a payment agreement and alleged she was unable to pay the full bill amount by the due date. Respondent, PECO Energy filed an Answer on April 23, 2014, stating that Complainant was not entitled to a new payment agreement as she had defaulted on a previous payment agreement issued by the Pennsylvania Public Utility Commission (“PUC”) and had not demonstrated a decrease in income or significant change in circumstance. An in-person hearing was held before Administrative Law Judge Darlene R. Davis Heep (“ALJ Heep”) on August 19, 2014. ALJ Heep issued an Initial Decision on September 17, 2014, wherein she held *inter alia*:

That the claim of Andree Lombard against PECO Energy Company at Docket No. C-2014-2416855 is dismissed.

Complainant excepts to ALJ Heep’s Initial Decision and states in her exceptions:

My reason for the exceptions would be exhibit C1 (medical bills), which I consider an extreme hardship for the family. If those unexpected medical bills would not have occurred, I would have been able to continue with the payment plan.

The Commission should sustain the initial decision of ALJ Heep. Complainant does not allege that ALJ Heep made an error of law or abused her discretion in any manner. Instead, Complainant excepts to the decision issued by ALJ Heep because she believes that her household medical bills should be considered as a “significant change in circumstance” to warrant another PUC issued agreement. The record reflects that the Complainant defaulted on every payment

agreement issued to her by PECO and the PUC. She is not entitled to another payment agreement. 66 Pa.C.S. § 1405(d) provides that absent a change in income or a significant change in circumstance, the Commission cannot grant a second or subsequent payment agreement, if the customer defaults on the first payment agreement.

In this case, the Complainant was issued at least five previous company payment agreements that defaulted. PECO Exh.3. In addition, the Complainant had a previous PUC Level 2 payment agreement issued at Docket No. C-2013-2356651 on August 22, 2013. Finding of Fact 3. That agreement defaulted in April 2014. PECO Exh.1. At the time of the hearing, the Complainant could not demonstrate a change from the household's Level 2 income. The Complainant's husband, Giovanni Buff, testified that he earns approximately \$200 less per month than he did prior to the payment agreement default. (Tr. 17 and Tr. 24). The record reflects the total monthly household income was reduced from \$5,276.92 to \$5,076.92. There simply has been no significant decrease in income since the Complainant received the PUC payment agreement.

Second, the Complainant had no significant change in circumstance to warrant another payment agreement in place of her previously defaulted agreement. Giovanni Buff testified that their daughter required emergency medical care and hospitalization in late 2013. He testified there were significant medical bills associated with this hospitalization that the family continues to struggle with to date.

The Commission may not reinstate a payment agreement where the customer has defaulted except in limited circumstances. 66 Pa.C.S. § 1403, 1405(e). Section 1403 defines significant change in circumstance as:

**"Significant change in circumstance."** Any of the following criteria when verified by the public utility and experienced by

customers with household income less than 300% of the Federal poverty level:

(1) The onset of a chronic or acute illness resulting in a significant loss in the customer's household income.

(2) Catastrophic damage to the customer's residence resulting in a significant net cost to the customer's household.

(3) Loss of the customer's residence.

(4) Increase in the customer's number of dependents in the household.

In this case, through her daughter's illness, the Complainant's household experienced "the onset of a chronic or acute illness." However, the daughter's chronic or acute illness did not result in "a significant loss in the [Complainant's] household income." Accordingly, there is no significant change in circumstance. As ALJ Heep correctly stated in her Initial Decision:

Since the payment agreement was first awarded, a member of the household developed an illness and Complainant's household has incurred significant medical bills. (C1). Chronic or acute illness is among the factors considered in determining whether a payment arrangement may be extended in the event of a default.

However, the strict statute as written does not allow for a reinstatement of a defaulted payment agreement unless the onset of a chronic or acute illness is accompanied by a significant loss of household income. The statute does not define significant. However, referencing the 10-20% loss required by the "change in income" definition of 66 § Pa.C.S. 1403, a 3.8% decrease would not qualify as "significant."

Although the household has incurred significant medical bills that clearly affect the ability to pay all other bills, including those of the utility, writers of the law did not include that circumstance as one calling for the financial assistance of a more affordable payment arrangement. Unfortunately, even in light of Complainant's demonstration of willingness to pay by the payment of \$1,658.48 to PECO on July 21, 2014, the strict language of the law does not allow Complainant any relief here.

Andree Lombard v. PECO Energy Company, C-2014-2416855 (Sep. 17, 2014).

In sum, since the payment agreement was issued by the PUC under docket number C-2013-2356651, there has been no change in the Complainant's household income or significant

change in circumstance. Consequently, pursuant to 66 Pa.C.S. § 1405(d), the PUC has no jurisdiction to give the Complainant a payment agreement on her balance. ALJ Heep's Initial Decision correctly applied the standard, by denying the Complainant a payment agreement pursuant to 66 Pa.C.S. § 1405(d). Accordingly, ALJ Heep'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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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**ANDREE LOMBARD  
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**PECO ENERGY COMPANY,  
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**Docket No. C-2014-2416855**

**VERIFICATION**

I, Shawane L. Lee, hereby declare that I am counsel for PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Pleading are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. § 4904 pertaining to false statements to authorities.

Date: October 27, 2014



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Shawane L. Lee

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**Docket No. C-2014-2416855**

**CERTIFICATE OF SERVICE**

I, Shawane L. Lee, hereby certify that I have this day served a true copy of the foregoing Reply Exceptions upon the parties listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**Andree Lombard  
404 Aldan Avenue  
Aldan, PA 19018**

Dated at Philadelphia, Pennsylvania, October 27, 2014



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