



An Exelon Company

Legal Department
2301 Market Street / S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699

Direct Dial: 215-841-6841

March 10, 2016

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

RE: Signature Properties Group v. PECO Energy Company
PUC Docket No.: C-2016-2532169

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is *Preliminary Objection of Respondent, PECO Energy Company* 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

SL/ab

cc: Certificate of Service

PENNSYLVANIA PUBLIC UTILITY COMMISSION

SIGNATURE PROPERTIES GROUP :
 Complainants :
 v. : **DOCKET NO. C-2016-2532169**
 : :
PECO ENERGY COMPANY :
 Respondent :
 :

NOTICE TO PLEAD

Pursuant to 52 Pa. Code §§ 5.101 and 5.62(c), you are hereby notified that, if you do not file a written response denying or correcting the enclosed Preliminary Objections of PECO Energy Company within 20 days from service of this notice, a decision may be rendered against you. All pleadings, such as a Reply to Preliminary Objections, must be filed with the Secretary of the Pennsylvania Public Utility Commission, with a copy served to counsel for PECO Energy Company, Shawane L. Lee, and where applicable, the Administrative Law Judge presiding over the issue.

File with:
Rosemarie Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
Harrisburg, PA 17120

With a copy to:
Shawane L. Lee, Esq.
PECO Energy Company
2301 Market Street, S-23
Philadelphia, PA 19103

Dated at Philadelphia, PA, March 10, 2016



Shawane L. Lee
Counsel for PECO Energy Company
2301 Market Street S-23
Philadelphia, PA 19101-8699
215-841-6863
Shawane.Lee@exeloncorp.com

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

SIGNATURE PROPERTIES GROUP	:	
Complainants	:	
v.	:	DOCKET NO. C-2016-2532169
	:	
PECO ENERGY COMPANY	:	
Respondent	:	

**PRELIMINARY OBJECTION OF RESPONDENT,
PECO ENERGY COMPANY**

Respondent, PECO Energy Company (“PECO”), pursuant to 52 Pa. Code § 5.101(a)(4) respectfully petitions this Honorable Commission to dismiss the instant Complaint as legally insufficient.

1. On March 4, 2016, PECO was served with a formal complaint filed by Signature Properties Group (hereafter “Complainant”). A copy of the Complaint is attached hereto as Exhibit “1”.

2. In its Complaint, the Complainant alleges that American Power and Gas is their commercial electric supplier. Complainant claims that American Power and Gas switched their electric without their permission and then raised the rates. Complainant alleges that American Power and Gas agreed to decrease the rate and release them from their contract but then raised the rates and terminated the agreement 20 days before they agreed too. See Exhibit “1”.

3. In its request for relief, the Complainant states:

We want American Power and Gas completely removed from any association with our accounts.....We want the last two month bills to be credited to the rate that PECO would have charged.

See Exhibit "1".

4. In essence, the Complainant is disputing the rate of electric generation supplier, American Power and Gas under a contract for electric commercial service.

5. PECO therefore files the instant Preliminary Objection.

6. Pursuant to 52 Pa. Code § 5.101, preliminary objections may be filed against a complaint and dismissed for legal insufficiency. 52 Pa. Code § 5.101(a)(4).

7. Commission procedure regarding the disposition of preliminary objections is similar to that utilized in Pennsylvania civil procedure. Equitable Small Transportation Intervenors. v. Equitable Gas Co., 1994 Pa.PUC LEXIS 69, Docket No. C-00935435 (July 18, 1994).

8. In deciding preliminary objections, the Public Utility Commission must determine, based on the factual pleadings of the petitioner, if relief or recovery is possible. Roc v. Flaherty, 527 A.2d 211 (Pa. Cmwltth 1985).

9. A complaint must be able to recover under the law to survive a preliminary objection. Milliner v. Enck, 709 A.2d 417, 418 (Pa. Super. Ct. 1998) ("preliminary objection should be sustained only where it appears with certainty that, upon the facts averred, the law will not allow the plaintiff to recover").

10. All of the non-moving party's averments must be taken as true for the sake of deciding the preliminary objection. County of Allegheny v. Commw. of Pa., 490 A.2d 402 (Pa. 1985).

11. The court does not, however, need to accept, "unwarranted inferences from facts, argumentative allegations, or expressions of opinions." Feingold v. McNulty, 2009 Phila. Ct. Com. Pl LEXIS 167, *3.

12. Section 703 of the Public Utility Code, 66 Pa. C.S.A. § 703(b) provides that the Commission may dismiss any complaint without a hearing if, in its opinion, a hearing is not necessary to the public interest.

13. A hearing is required only when there is a disputed question of fact, and is not required to resolve questions of law. Dee-Dee Cab, Inc. v. Pa.Pub. Util. Comm'n, 817 A.2nd 593 (Pa. Commw. Ct. 2003), petition for allowance of appeal denied, 836 A.2d 123 (Pa. 2003).

14. Here, there are no genuine issues of fact and PECO Energy is entitled to judgment as a matter of law with respect to all of the allegations in the Complaint.

I. Legal Insufficiency – Under both the Commission's regulations and the contract between American Power and Gas and the Complainant, PECO is not a party to the electric generation transaction.

15. The Complainant disputes the rates under a contract with supplier American Power and Gas for electric service at its commercial service address.

16. By way of background, on December 3, 1996, the Pennsylvania Legislature passed the Electricity Generation Customer Choice and Competition Act ("Competition Act") under 66 Pa.C.S. § 2807.

17. The Competition Act required electric distribution companies, such as PECO to unbundle transmission, distribution and generation rates for retail customers. The Competition Act deregulated electricity generation and provided all customers in Pennsylvania the opportunity to choose their electric generation supplier (“EGS”). 66 Pa.C.S. § 2807.

18. Section 2806(a) explicitly states:

All customers of electric distribution companies in this Commonwealth shall have the opportunity to purchase electricity from their choice of electric generation suppliers. The ultimate choice of the electric generation supplier is to rest with the consumer.

66 Pa.C.S. § 2806(a).

19. The Pennsylvania Public Utility Commission (“Commission”) issued regulations under 52 Pa. Code § 54.1 et. seq. to enable customers to make informed choices regarding the purchase of electricity services. 52 Pa. Code § 54.1(a).

20. The Commission approved Section 23 in PECO’s Electric Tariff to set forth the requirements for customers to switch to EGSs.

21. According to the Commission-approved tariff, customers were permitted to switch to EGSs and PECO Energy would “accommodate requests to switch in accordance with [Rule 23] and any applicable Commission Orders.” See PECO’s Electric Service Tariff, Section 23.

22. The Legislature and the Commission authorized customers to choose alternative electric suppliers consistent with the Electricity Generation Customer Choice and Competition Act, the regulations promulgated under 52 Pa. Code § 54.1; and PECO’s Commission-approved Electric Service Tariff.

23. The Complainant entered into a contract with American Power and Gas under the contract for the rates agreed to.

24. PECO is not the same company as American Power and Gas and the rates at issue are not PECO's.

25. Indeed, pursuant to 52 Pa. Code § 54.5(c), EGSs (such as American Power and Gas) have to provide a written disclosure statement, stating the contract's terms of service, including the generation charges and variable pricing statement, as well as the EGS's address, telephone number, Commission license number and Internet address, if available.

52 Pa. Code § 54.5(c)(11).

26. Additionally, pursuant to 52 Pa. Code § 54.4(b)(10), the billing statements that go out to customers who choose to receive electric supply from an EGS must include the following statements:

(i) Generation prices and charges are set by the electric generation supplier you have chosen.

27. The Complainant was placed on notice through the billing statement that the electric supplier sets the rates and terms charged – not PECO.¹

28. Further, PECO is not a party to the contract between the Complainant and American Power and Gas.

¹ PECO's billing statement specifically instructs customers to obtain information about switching to an EGS at www.papowerswitch.com. Once there, it states: "*Electric generation suppliers are responsible for posted prices. Please consult the...electric generation supplier for prices, including introductory prices, renewable energy add on options, cancellation policies and any other discounts that may be available to you.*" There is also a consumer alert that states: "**Customers with variable contracts, or those with fixed contracts that have expired and were moved to a variable rate, may see their prices increase.**"

29. PECO's Electric Supplier Tariff specifically states at Section 5.4.1:

EGSs shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Direct Access consistent with all applicable laws, PAPUC requirements, and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

See PECO's Electric Supplier Tariff, Section 5.4.1.

30. In this case, PECO is not a party to the contract between the Complainant and American Power and Gas. PECO has no knowledge of the contract and rate agreement the Complainant entered into with American Power and Gas and has no visibility into that agreement.

31. The Complainant has not alleged that PECO incorrectly read the meter, which resulted in the incorrect rates.

32. The Complainant has not alleged that PECO incorrectly billed Signature Properties Group.

33. The Complainant does not dispute the PECO charges on Signature Property Group's bill.

34. Rather, the only dispute the Complainant alleges is with American Power and Gas' supplier charges, over which PECO has no control.

35. The Complainant's Complaint, objecting to American Power and Gas' rates does not allege a violation of any order, law or tariff that can be the basis of any finding against PECO.

36. Administrative Law Judge David Salapa ("ALJ Salapa") reached a similar conclusion in the matter Donald Mulzet v. PPL Electric Utilities Corporation, Docket No. C-2013-2367132 (Order entered July 22, 2013). In that case, the Complainant filed a formal

complaint against PPL Electric alleging there were incorrect charges on his bill because various electric suppliers, including Sarko Energy, were charging him higher rates than other suppliers. Id.

37. PPL Electric filed a Preliminary Objection, requesting the matter to be dismissed for legal insufficiency because the allegations in the complaint did not pertain to PPL Electric and only contested the rates charged by the suppliers. Id.

38. ALJ Salapa sustained PPL Electric's Preliminary Objection and dismissed the complaint as follows:

The Complainant has entered into agreements with various EGSs for electric supply and those EGSs have billed him at rates higher than the rates set forth in the agreements. Accepting the facts alleged in the complaint as true for purposes of disposing of its preliminary objections, the Respondent contends that the complaint fails to allege that the Respondent has violated the Public Utility Code, Commission regulations or orders. The Respondent concludes that the complaint is legally insufficient. I agree.

In order to be legally sufficient, a complaint must set forth "an act or thing done or omitted to be done or about to be done or omitted to be done by the respondent in violation, or claimed violation, of a statute which the Commission has jurisdiction to administer, or of a regulation or order of the Commission." 52 Pa. Code §5.22(a)(4). Here, the complaint does not allege any facts that could be construed as a violation by the Respondent of any statute, regulation or order which the Commission has jurisdiction to administer. The complaint is therefore legally insufficient. Id.

39. As stated above, the Complainant has not disputed the meter reading, billing or PECO charges and has only disputed the American Power and Gas supplier charges.

40. Accordingly, the Complainant's formal complaint should be dismissed as it fails to set forth a violation by PECO of either the Public Utility Code, the regulations of the PUC or PECO's Electric Service Tariff as required by 52 Pa. Code §5.22(a)(4).

REQUEST FOR RELIEF

WHEREFORE, for the reasons set forth above, PECO Energy Company respectfully requests that your Honorable Commission summarily dismiss the Complainants' formal complaint, and all issues which were raised in the Complaint.

Respectfully submitted,



Shawane L. Lee
Counsel for PECO Energy Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
(215) 841-6841
Fax: 215.568.3389
Shawane.Lee@exeloncorp.com

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

SIGNATURE PROPERTIES GROUP	:	
Complainants	:	
v.	:	DOCKET NO. C-2016-2532169
	:	
PECO ENERGY COMPANY	:	
Respondent	:	

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: March 10, 2016

Shawane L. Lee

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

SIGNATURE PROPERTIES GROUP	:	
Complainants	:	
v.	:	DOCKET NO. C-2016-2532169
	:	
PECO ENERGY COMPANY	:	
Respondent	:	

CERTIFICATE OF SERVICE

I, Shawane L. Lee, hereby certify that I have this day served a copy of PECO Energy Company's Preliminary Objection in the above matter upon all interested parties by mailing a copy, properly addressed and postage prepaid to:

Signature Properties Group
Attention: Trish Puleo
P.O. Box 27
Phoenixville, PA 19460

Dated at Philadelphia, Pennsylvania, March 10, 2016



Shawane L. Lee
Counsel for PECO Energy Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
(215) 841-6841
Fax: 215.568.3389
Shawane.Lee@exeloncorp.com

EXHIBIT 1

Botak, Amy:(PECO)

From: eServe@pa.gov
Sent: Friday, March 04, 2016 11:21 AM
To: Lee, Shawane L.:(PECO)
Cc: Botak, Amy:(PECO)
Subject: [EXTERNAL] PA PUC eServe Notice
Importance: High

Dear Shawane L Lee,

A(n) **Formal Complaint** has been served in this proceeding. This document is docketed as **C-2016-2532169**.
You may view this document at
Formal Complaint

You are receiving this email because you are a(n) **Respondent** for this case and have agreed to be served electronically. By selecting electronic service (eService), you have agreed that this notification constitutes valid service. Electronic service of any and all documents will be in place of paper service.

Thank You,
Public Utility Commission
Commonwealth of Pennsylvania

** Please do not respond to this automatically generated email.*

PECO ENERGY
EXHIBIT 1

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

Filing this form begins a legal proceeding and you will be a party to the case. If you do not wish to be a party to the case, consider filing an informal complaint.

To complete this form, please type or print legibly in ink.

1. Customer (Complainant) Information

Provide your name, mailing address, county, telephone number(s), e-mail address and utility account number. It is your responsibility to update the Commission with any changes to your address and to where you want documents mailed to you.

Name Signature Properties Group LLC- Owner Trish Puleo

Street/P.O. Box PO Box 27 Apt #

City Phoenixville State Pa Zip 19460

County Chester

Telephone Number(s) Where We Can Contact You During the Day:

(610) 983-3045 ext 31 (home) (610) 952-1097 (mobile)

E-mail Address (optional): Trishcpuleo@gmail.com

Utility Account Number (from your bill) 10796-31003 & 07700-50014

If your complaint involves utility service provided to a different address or in a different name than your mailing address, please list this information below.

Name

Street/P.O. Box Service address 27 & 37 Nutt Road

City Phoenixville State Pa Zip 19460

2. Name of Utility or Company (Respondent)

Provide the full name of the utility or company about which you are complaining. The name of your utility or company is on your bill.

American Power & Gas

RECEIVED 2016 FEB 29 AM 10:30 P.A.P.U.C. SECRETARY'S BUREAU

3. Type of Utility Service

Check the box listing the type of utility service that is the subject of your complaint (check only one):

- | | |
|--|---|
| <input checked="" type="checkbox"/> ELECTRIC | <input type="checkbox"/> WASTEWATER/SEWER |
| <input checked="" type="checkbox"/> GAS | <input type="checkbox"/> TELEPHONE/TELECOMMUNICATIONS (local, long distance) |
| <input type="checkbox"/> WATER | <input type="checkbox"/> MOTOR CARRIER (e.g. taxi, moving company, limousine) |
| <input type="checkbox"/> STEAM HEAT | |

4. Reason for Complaint

What kind of problem are you having with the utility or company? Check all boxes below that apply and state the reason for your complaint. Explain specifically what you believe the utility or company has done wrong. Provide relevant details including dates, times and places and any other information that may be important. If the complaint is about billing, tell us the amount you believe is not correct. Use additional paper if you need more space. Your complaint may be dismissed without a hearing if you do not provide specific information.

- The utility is threatening to shut off my service or has already shut off my service.

- I would like a payment agreement.

- Incorrect charges are on my bill. Provide dates that are important and an explanation about any amounts or charges that you believe are not correct. Attach a copy of the bill(s) in question if you have it/them.

- I am having a reliability, safety or quality problem with my utility service. Explain the problem, including dates, times or places and any other relevant details that may be important.

- Other (explain).
American Power & Gas switch our electric provider on both accounts without authorized permission of either company owners. They increased our rates above what Peco charges, when questioned they said they would reduce the rate to .069 and release us from our contract in 30 days. They subsequently raised the rate even more to .141 and terminated our agreement 20 days earlier than agreed too. We now have two months of extremely high bills that they will not adjust the rate to what was promised.

Note: If your complaint is only about removing or modifying a municipal lien filed by the City of Philadelphia, the Public Utility Commission (PUC) cannot address it. Only local courts in Philadelphia County can address this type of complaint. The PUC can address a complaint about service or incorrect billing even if that amount is subject to a lien.

In addition, the PUC generally does not handle complaints about cell phone or Internet service, but may be able to resolve a dispute regarding voice communications over the Internet (including the inability to make voice 911/E911 emergency calls) or concerns about high-speed access to Internet service.

5. Requested Relief

How do you want your complaint to be resolved? Explain what you want the PUC to order the utility or company to do. Use additional paper if you need more space.

Signature Properties Group LLC wants American Power & Gas completely removed from any association with our accounts. We want the last two months bills to be credited to the rate that Peco would have charged us during this time period of 12/17/2015 to 02/9/2016. From the amount stated on the bill Peco's rate would have been \$0.836 per Kwh as apposed to American Power & Gas charged rates of .0128001 and .0141489.

Note: The PUC can decide that a customer was not billed correctly and can order billing refunds. The PUC can also fine a utility or company for not following rules and can order a utility or company to correct a problem with your service. Under state law, the PUC cannot decide whether a utility or company should pay customers for loss or damages. Damage claims may be sought in an appropriate civil court.

6. Protection From Abuse (PFA)

Has a court granted a "Protection From Abuse" order that is currently in effect for your personal safety or welfare? The PUC needs this information to properly process your complaint so that your identity is not made public.

Note: You must answer this question if your complaint is against a natural gas distribution utility, an electric distribution utility or a water distribution utility AND your complaint is about a problem involving billing, a request to receive service, a security deposit request, termination of service or a request for a payment agreement.

Has a court granted a "Protection From Abuse" order for your personal safety or welfare?

YES

NO

If your answer to the above question is "yes," attach a copy of the current Protection From Abuse order to this Formal Complaint form.

7. Prior Utility Contact

a. Is this an appeal from a decision of the PUC's Bureau of Consumer Services (BCS)?

YES

NO

Note: If you answered yes, move to Section 8. No further contact with the utility or company is required. If you answered no, answer the question in Section 7 b. and answer the question in Section 7 c. if relevant.

b. If this is not an appeal from a BCS decision, have you spoken to a utility or company representative about this complaint?

YES

NO

Note: You must contact the utility first if (1) you are a residential customer, (2) your complaint is against a natural gas distribution utility, an electric distribution utility or a water utility AND (3) your complaint is about a billing problem, a service problem, a termination of service problem, or a request for a payment agreement.

- c. If you tried to speak to a utility company representative about your complaint but were not able to do so, please explain why.

Have spoken with American Power & Gas they stated they can not credit past bills only change rates going forward.

Note: Even if you are not required to contact the utility or company, you should always try to speak to a utility or company representative about your problem before you file a Formal Complaint with the PUC.

8. Legal Representation

If you are filing a Formal Complaint as an individual on your own behalf, you are not required to have a lawyer. You may represent yourself at the hearing.

If you are already represented by a lawyer in this matter, provide your lawyer's name, address, telephone number, and e-mail address, if known. Please make sure your lawyer is aware of your complaint. If represented by a lawyer, both you and your lawyer must be present at your hearing.

The other owner of Signature Properties Group is a Lawyer. If legal representation is needed he is on retainer for all events.

Lawyer's Name Richard J Puleo Esquire Puleo & Gimpel Law Firm
Street/P.O. Box 27 Nutt Road
City Phoenixville State Pa Zip 19460
Area Code/Phone Number 610-983-4256
E-mail Address (if known) _____

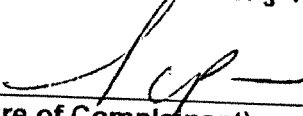
Note: Corporations, associations, partnerships, limited liability companies and political subdivisions are required to have a lawyer represent them at a hearing and to file any motions, answers, briefs or other legal pleadings.

9. Verification and Signature

You must sign your complaint. Individuals filing a Formal Complaint **must** print or type their name on the line provided in the verification paragraph below and **must** sign and date this form in **ink**. If you do not sign the Formal Complaint, the PUC **will not accept** it.

Verification:

I Trish Puleo, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).


(Signature of Complainant)

2/22/2016

(Date)

Managing Partner & Owner of Signature Properties Group LLC

Title of authorized employee or officer (only applicable to corporations, associations, partnerships, limited liability companies or political subdivisions)

Note: If the Complainant is a corporation, association, partnership, limited liability company or political subdivision, the verification **must** be signed by an authorized officer or authorized employee. If the Formal Complaint is **not signed** by one of these individuals, the PUC **will not accept** it.

10. Two Ways to File Your Formal Complaint

Electronically. You must create an account on the PUC's eFiling system, which may be accessed at <http://www.puc.pa.gov/efiling/default.aspx>.

Note: If you are appealing your Bureau of Consumer Services (BCS) decision, you must file your formal complaint by mail.

Mail. Mail the completed form with your original signature and any attachments, by certified mail, first class mail, or overnight delivery to this address:

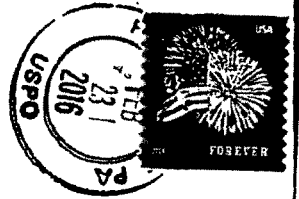
Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, Pennsylvania 17120

Note: Formal Complaints sent by fax or e-mail will **not** be accepted.

If you have any questions about filling out this form, please contact the Secretary's Bureau at 717-772-7777.

Keep a copy of your Formal Complaint for your records.

P.O. Box 27
Phoenixville, PA 19460



SECRETARY
PA Public Utility Commission
400 NORTH STREET
HARRISBURG, PA 17120

1712030079 0000

