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April 8, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Petition of PECO Energy Company for Approval of Its Default Service Program for the Period From June 1, 2017 Through May 31, 2019; Docket No. P-2016-2534980

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Petition to Intervene and Answer of the Philadelphia Area Industrial Energy Users Group ("PAIEUG"), in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By 
Charis Mincavage

Counsel to the Philadelphia Area Industrial Energy Users Group

Enclosure

c: Administrative Law Judge Cynthia W. Fordham (via E-mail and First-Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

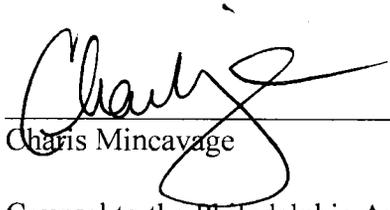
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Chris Mincavage

Counsel to the Philadelphia Area Industrial
Energy Users Group

Dated this 8th day of April, 2016, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company :
for Approval of Its Default Service Program : Docket No. P-2016-2534980
for the Period From June 1, 2017 Through :
May 31, 2019 :

**PETITION TO INTERVENE AND ANSWER
OF THE PHILADELPHIA AREA INDUSTRIAL
ENERGY USERS GROUP**

Pursuant to Sections 5.71 through 5.74 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations, 52 Pa. Code §§ 5.71 - 5.74, the Philadelphia Area Industrial Energy Users Group ("PAIEUG") hereby files this Petition to Intervene in the above-captioned proceeding. In addition, pursuant to Section 5.61(a) of the Commission's Regulations, 52 Pa. Code § 5.61(a), PAIEUG hereby files this Answer in response to the above-captioned filing of PECO Energy Company ("PECO" or "Company").

PECO has petitioned the Commission for approval of the Company's fourth Default Service Program ("DSP IV"). PECO's Petition for Approval of DSP IV ("Petition") outlines the Company's proposed procurement plan, implementation plan, and contingency plan for acquiring default service energy supply for all PECO customers who, upon expiration of DSP III on May 31, 2017, do not take generation service from an alternative electric generation supplier ("EGS") or who contract for energy with an EGS, which is not delivered. Petition, p. 1. The Company's filing proposes to continue most of the existing products and programs approved under PECO's DSP Phase III. Id. at 2.

The proposed DSP IV would apply to all retail customers in PECO's service territory. PECO is proposing one change to the procurement classes used in its prior default service

programs. Under DSP IV, PECO proposes to consolidate the Medium Commercial class and Large Commercial and Industrial class into a single procurement group, resulting in separate treatment for three customer rate classes: Residential; Small Commercial; and Consolidated Large Commercial and Industrial ("Consolidated Large C&I"). Id. at 7. The Consolidated Large C&I class consists of customers taking service on Rate Schedules GS, HT, PD, and EP that have a peak load greater than 100 kW. See id.

For Large C&I customers, PECO proposes to continue to procure all default service supply through spot-priced full requirements contracts as in DSP III. Id. at 10. The Company, however, is also proposing a quarterly default service rate filing schedule for the Consolidated Large C&I with semi-annual reconciliation of the over/under collection component of the Generation Supply Adjustment ("GSA"). See id. at 15.

PECO is proposing to continue to collect certain PJM transmission-related charges through its Non-bypassable Transmission Charge ("NBT"), with PECO continuing to be responsible for Network Integration Transmission Service ("NITS") and Non-Firm-Point-to-Point Transmission costs through its unbundled, bypassable Transmission Service Charge ("TSC"). Id. at 8-9.

In support of its Petition to Intervene and Answer, PAIEUG asserts the following:

I. PETITION TO INTERVENE

1. PAIEUG is an ad hoc group of energy-intensive customers receiving electric service from PECO under Rate HT. PAIEUG members use substantial volumes of electricity in their manufacturing and operational processes, and these electric costs are a significant element of their respective costs of operation. Any modification to PECO's electric rates may impact PAIEUG members' cost of operations.

2. For purposes of this proceeding, PAIEUG includes the members listed in Attachment A hereto. As necessary, PAIEUG will update Attachment A during the course of this proceeding as needed to reflect any changes in its membership.

3. PAIEUG members are concerned with issues regarding the terms and conditions of their electricity service and are monitoring PECO's proposed DSP IV. The Commission's final disposition of this proceeding will directly affect the rates applicable to PAIEUG members for default service. As some of PECO's largest customers, PAIEUG members are in a unique position to comment to the Commission on the customer impact of PECO's filings and their consequences for Large C&I customers.

4. PAIEUG members thus have an interest in this proceeding that is not represented by any other party of record; consequently, PAIEUG satisfies the standards for intervention under Section 5.72 of the Commission's Regulations, 52 Pa. Code § 5.72.

5. The names and address of PAIEUG's attorneys are:

Charis Mincavage (I.D. No. 82039)
Adeolu A. Bakare (I.D. No. 208541)
Alessandra L. Hylander (I.D. No. 320967)
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II. ANSWER

6. PAIEUG has concerns with certain modifications proposed through PECO's DSP IV. For example, PECO proposes to consolidate Medium Commercial customers, whose annual peak demands are greater than 100 kW but less than or equal to 500 kW, with Large Commercial

and Industrial customers, whose annual peak demands are greater than 500 kW, into a single procurement group. While the Company claims that such consolidation streamlines PECO's competitive solicitation process, establishes common retail generation rates, and simplifies the reconciliation of over/under collections, PAIEUG is concerned with the effect of this consolidation on the hourly-priced default service for Large C&I customers.

7. PAIEUG will also review PECO's proposal to implement a quarterly default service rate filing schedule for the Consolidated Large C&I class, as compared to the monthly filing currently used for the Large C&I class. Similarly, PAIEUG will examine PECO's proposal for a semi-annual reconciliation component of the GSA for the Consolidated Large C&I class.

8. While PECO is not proposing any change to its NBT, PAIEUG is concerned with the Company's current reconciliation process for this charge. As a result, PAIEUG plans to review this issue further to determine whether changes to the current reconciliation process are needed.

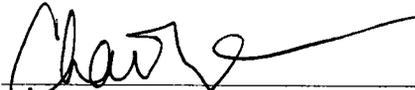
9. PAIEUG reserves the right to raise and address additional issues of concern during the course of the proceeding based on further review of the Petition, issues identified via discovery, and issues raised by other parties.

III. CONCLUSION

WHEREFORE, the Philadelphia Area Industrial Energy Users Group respectfully requests that the Pennsylvania Public Utility Commission grant this Petition to Intervene, providing PAIEUG with full-party status in this proceeding, as well as any other relief as it deems necessary.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Counsel to the Philadelphia Area Industrial
Energy Users Group

Dated: April 8, 2016

ATTACHMENT A

PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP

Air Liquide America L.P.
The Boeing Company
Building Owners & Managers Association of Philadelphia
Drexel University
Einstein Healthcare Network
Evonik Corporation
GlaxoSmithKline
Kimberly-Clark Corporation
Magee Rehabilitation Hospital
Main Line Health
Merck & Co., Inc.
Philadelphia College of Osteopathic Medicine
Saint Joseph's University
Temple University
Thomas Jefferson University
Villanova University

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF DAUPHIN) ss:

CHARIS MINCAVAGE, being duly sworn according to law, deposes and says that she is Counsel to the Philadelphia Area Industrial Energy Users Group, and that in this capacity she is authorized to and does make this affidavit for them, and that the facts set forth in the foregoing Petition to Intervene and Answer are true and correct to the best of her knowledge, information, and belief.



Charis Mincavage

SWORN TO and subscribed
before me this 8th day
of April, 2016.



Notary Public

(SEAL)

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Mary A. Sipe, Notary Public
City of Harrisburg, Dauphin County
My Commission Expires March 19, 2017