

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for	:	
Approval of its Default Service Program	:	
For the Period from June 1, 2017 through	:	P-2016-2534980
May 31, 2019	:	

STATEMENT IN SUPPORT OF
PARTIAL SETTLEMENT ON BEHALF OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT

TO ADMINISTRATIVE LAW JUDGE CYNTHIA W. FORDHAM:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Statement in Support in the above-captioned proceeding.

I. INTRODUCTION

1. I&E is charged with the representation of the public interest in proceedings relating to rates, rate-related services, and application proceedings affecting the public interest held before the Commission. “The prime determinant in the consideration of a proposed Settlement is whether or not it is in the public interest.” Accordingly, it is incumbent upon I&E to ensure that the public interest is served in all matters before the Commission. This Statement in Support is founded on I&E’s conclusion that the Settlement meets all the legal and regulatory standards necessary for approval and that

the proposed settlement is in the public interest. In accordance with the Commission's policy favoring settlements over costly and time-consuming litigation¹, the parties have been able to settle most of this proceeding following lengthy discussions and discovery, except for aspects pertaining to PECO's Customer Assistance Program (CAP), which shall be briefed later and in a separate document. I&E now timely submits this Statement in Support of the partial settlement

2. On March 17, 2016, PECO Energy Company, Inc. ("PECO", "Company" or "Petitioner") filed a petition with the Pennsylvania Public Utility Commission ("Commission") requesting that the Commission to approve its fourth Default Service Program ("DSP IV"). PECO noted that this petition was filed in accordance with its responsibilities as the default service provider for its certificated service territory for the period from June 1, 2017 through May 31, 2019, following the expiration of its current default service program ("DSP III"). Beyond PECO and I&E, the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), Direct Energy Services, LLC ("Direct Energy"), Noble Americas Energy Solutions, LLC. ("Noble"), the Philadelphia Area Industrial Energy Users Group ("PAIEUG"), and the Retail Energy Supply Association ("RESA") have been actively participating in this proceeding (collectively "the parties").

¹ 52 Pa. Code §5.231. See also Statement of Commissioner Robert F. Powelson, Pennsylvania Public Utility Commission v. Wellsboro Electric Company, Docket No. R-2010-2172662.

II. ANALYSIS OF SETTLEMENT TERMS

3. This settlement establishes that the PECO DSP IV Program will be effective for a period of four (4) years starting with June 1, 2017 through May 31, 2021, minimizing future litigation expense to be borne by PECO's consumers. It is explicitly noted by The Parties that being a signatory to this agreement does not restrict or bind any of the signatories to positions in future litigation.

4. PECO has agreed to hold a stakeholder collaborative in January of 2018 with potential for a follow-up collaborative to discuss and review any aspect of this proceeding along with potential other retail market enhancement aspects pertaining to default service, which will providing a venue for evaluative and productive communication during the term of DSP IV. The Company shall follow this collaborative with a written report to be filed at the above-captioned docket.

5. PECO shall increase their transparency regarding Network Integration Transmission Service ("NITS") rates and charges. Particularly, PECO shall provide notice to Electric Generation Suppliers ("EGSs") and any default service suppliers ("DSPs") of any public, docketed Federal Energy Regulatory Commission filings that affect the NITS rates and charges. This will allow EGSs and DSPs to more accurately and easily assess potential changes in NITS rates and charges. Such information shall also be published on a webpage to be maintained by PECO.

6. PECO's current Standard Offer Program ("SOP"), as approved in PECO's DSP III proceeding, will continue but shall be improved with modifications to scripts and

trainings provided to PECO's customer service representatives to improve clarity and awareness when dealing with consumers. This modification, which is further expounded upon in the Joint Petition, is accomplished by a revision of the script and smoothing the interactions between PECO's consumers, customer service representatives and Allconnect representatives. These changes will clarify the ability of consumers to secure electric generation through a supplier of their choice and also clarifies with what the Smart Energy Choice Program is and how it may be beneficial to consumers.

7. The Company shall consolidate default service customers into three (3) classes. These classes shall be 'Residential,' 'Small Commercial,' and the new 'Consolidated Large Commercial and Industrial'. Previously, there was a 'Medium and Large Commercial' class which has been combined into the new grouping with Industrial customers. The newly-formed consolidated class will continue soliciting hourly-priced default service contracts, which is a continuation of the previously used method for both the Medium and Large Commercial customers and the Industrial Customers. PECO's default service rates for this new class will continue to be charged through PECO's Generation Supply Adjustment charge with reconciliation to be performed on a semi-annual basis.

8. This Partial Settlement Agreement is conditioned upon the Commission's approval of all terms and conditions contained therein and should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by I&E, or any of the signatories.

9. If Judge Fordham recommends that the Commission adopt this Settlement Agreement as proposed, I&E agrees to waive the right to file Exceptions with regards to the pertinent issues. However, I&E has not waived its rights to file Exceptions with respect to any modifications to the terms and conditions of these settlement terms, or any additional matters, that may be proposed by the ALJ in her Recommended Decision. I&E has also retained these rights relating to PECO's CAP program and the forthcoming briefs. I&E furthermore reserves the right to file Reply Exceptions to any Exceptions that may be filed by any active party to this proceeding pertaining to these specific issues.

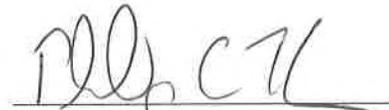
III. CONCLUSION

10. As noted before, based upon I&E's analysis of the filing, acceptance of this proposed Partial Settlement is a just and reasonable resolution. I&E also avers that the aspects of PECO's DSP filing not explicitly addressed by this settlement or by the forthcoming brief are in the public interest and largely a continuation of programs already approved by the PUC and implemented in DSP III.

11. Accordingly, the Bureau of Investigation and Enforcement is satisfied that the provisions and data contained in PECO's DSP filings and discovery, as confirmed by this Joint Petition, accurately support the finding that the Companies' DSP IV programs and practices with the modifications propounded in this partial settlement, adequately protect the public interest.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement, by and through undersigned Prosecutor, avers that it supports the *Joint Petition for Partial Settlement* as being in the public interest and respectfully requests that Administrative Law Judge Fordham recommend, and the Commission subsequently approve, the foregoing Settlement as outlined in the Joint Petition, including all terms and conditions contained therein.

Respectfully Submitted,



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