

<b>PECO ENERGY COMPANY'S PILOT</b>	<b>: Docket No. P- 2016-2573023</b>
<b>PLAN FOR AN ADVANCE PAYMENTS</b>	<b>:</b>
<b>PROGRAM SUBMITTED PURSUANT</b>	<b>:</b>
<b>TO 52 PA. CODE § 56.17</b>	<b>:</b>
<b>AND</b>	<b>:</b>
<b>PECO ENERGY COMPANY'S PETITION</b>	<b>:</b>
<b>FOR TEMPORARY WAIVER OF PORTIONS</b>	<b>:</b>
<b>OF THE COMMISSION'S REGULATIONS</b>	<b>:</b>
<b>WITH RESPECT TO THAT PLAN</b>	<b>:</b>

**ANSWER OF TENANT UNION REPRESENTATIVE NETWORK AND ACTION  
ALLIANCE OF SENIOR CITIZENS OF GREATER PHILADELPHIA**

Pursuant to the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), 52 Pa. Code § 5.61, Tenant Union Representative Network ("TURN") and Action Alliance of Senior Citizens of Greater Philadelphia ("Action Alliance")(collectively "TURN *et al.*"), through counsel Community Legal Services, Inc., hereby file this Answer to PECO Energy Company's ("PECO") Pilot Plan for an Advance Payments Program and Petition for Temporary Waiver of Portions of the Commission's Regulations with Respect to That Plan ("Pilot Plan and Petition"), and in support, state as follows:

**I. INTRODUCTION**

1. TURN is a not-for-profit advocacy organization composed of moderate and low income tenants, all either customers of PECO or dependent on PECO electricity service and all residing in Philadelphia, PA. In those capacities, they have direct, immediate, substantial and distinct interests in the proposed Pilot Plan and Petition.

2. Action Alliance is a not-for-profit membership organization of senior citizens, many

of whom are Philadelphia taxpayers, residents and customers of PECO, on which they rely for their electricity needs, including heating and cooling. In those capacities, they have direct, immediate, substantial and distinct interests in the proposed Pilot Plan and Petition.

3. TURN *et al.* request that the Commission find that TURN *et al.* has standing to participate in this proceeding and conduct full hearings, after a reasonable opportunity for discovery, prior to reaching a decision on the merits of PECO's Pilot Plan and Petition.

## II. BACKGROUND

4. On October 26, 2016, PECO filed its Pilot Plan and Petition with the Commission.

5. In its Pilot Plan and Petition, PECO seeks to implement a pilot for a prepayment meter program to commence during, or prior to, the first quarter of 2018. (Pilot Plan and Petition, Attachment 1). PECO will allow 1000 of its customers and applicants to enroll in the prepayment program. (Pilot Plan and Petition, Attachment 1 at ¶ 2). PECO contends that its Pilot Plan tracks existing Commission regulations on Advance Payments plans and that the Commission's review of the Pilot Plan should not include a separate determination of whether the plan is in the public interest. ((Pilot Plan and Petition, Pg. 10 at ¶ 13). The Pilot Plan provides, in relevant part:

- i. The Pilot program will be available to customers/applicants with annual household gross income above 150% of the federal poverty income guidelines (Pilot Plan and Petition, Attachment 1 at ¶ 3).
- ii. The program will be offered to customers or applicants with a delinquency of up to \$1500. (*Id.*).
- iii. Participants will fund an individual Advance Payments Balance upon enrollment in the program. On a daily basis, the Advance Payments Balance will be adjusted,

- based on the actual daily usage (electric or electric and gas) and any advance payments received. PECO's monthly customer charge will also be allocated daily. (Pilot Plan and Petition, Attachment 1 at ¶ 6);
- iv. Participants will fund their Advance Payments Balance with an initial payment of \$40 or greater. (Pilot Plan and Petition, Attachment 1 at ¶ 7). Additional funding must be made in minimum amounts of \$15. (*Id.*)
  - v. Participants with a delinquent balance will have each of their payments allocated 75% toward future service and 25% towards the arrearage. (Pilot Plan and Petition, Attachment 1 at ¶ 9).
  - vi. Based upon the participant's funds in the Advance Payments Balance and historical and projected usage at the premise, the system will calculate an Estimated Days of Usage remaining. The Estimated Days of Usage will be updated daily. (Pilot Plan and Petition, Attachment 1 at ¶10).
  - vii. Program participants will receive a notification at five days, three days, and one day prior to a zero balance on the account, and during the emergency backup credit period. (Pilot Plan and Petition, Attachment 1 at ¶11). Participants may opt to receive additional notifications. (*Id.*).
  - viii. Participants will receive five days of emergency backup credits if their balance reaches zero. (Pilot Plan and Petition, Attachment 1 at ¶ 13). Participants will be required to pay for these credits before purchasing any additional future use. (*Id.*).
  - ix. Participants must agree that PECO may disconnect service if a participant's balance drops to zero and the customer exhausts the emergency backup credit. (Pilot Plan and Petition, Attachment 1 at ¶ 14) Participants must agree that such

disconnection will be treated as a discontinuance as defined in 52 Pa. Code § 56.72(1). (*Id.*).

- x. In order to reconnect service, a participant must pay for any emergency backup credit used and establish a balance of at least \$15. (Pilot Plan and Petition, Attachment 1 at ¶ 15).
- xi. Customers who shop for generation service will receive information based upon generation pricing information for the most recent month available, but not the current month. (Pilot Plan and Petition, Attachment 1 at ¶ 17). At the end of the month PECO will reconcile these customers' Advance Payments Balance using actual pricing information from the alternative supplier. (*Id.*)

6. PECO is also requesting that the Commission waive provisions of its regulations, as follows:

- i. Waive 52 Pa. Code § 56.17(3)(i) to permit customers to participate in the program whether they have a delinquency or not;
- ii. Waive 52 Pa. Code § 56.17(3)(i) to permit applicants to participate in the program;
- iii. Waive 52 Pa. Code § 56.17(3)(iii)(B) to permit customers/applicants with a delinquency to participate in the Pilot Plan without committing to remain in the program;
- iv. Waive 52 Pa. Code § 56.53 to permit customers/applicants who have a deposit on their account when they enroll to use that deposit to fund their participation in the program.

7. PECO contends that its requests for waivers are in the public interest.

### III. ANSWER

TURN *et al.* have reviewed PECO's Pilot Plan and Petition and have identified a number of issues presented by the filing, which potentially affect TURN *et al.* members. TURN *et al.* intend to submit written comments in this proceeding and will likely submit reply comments in response to comments submitted by other parties. TURN *et al.* anticipate that additional issues may arise as a more comprehensive review of the Pilot Plan and Petition is undertaken and as TURN *et al.* prepare comments. Furthermore, if the matter is assigned to the Office of Administrative Law Judge TURN *et al.* anticipate that additional issues may arise as discovery is conducted and testimony is provided and reviewed. However, preliminary issues identified by TURN *et al.* include:

a. TURN *et al.* strongly oppose PECO's contention that its Pilot Plan is presumptively in the public interest and that the Commission's review should be limited to whether PECO's proposal comports with existing regulations. TURN *et al.* request that the Commission thoroughly evaluate whether PECO's Pilot Plan is in the public interest. TURN *et al.* submit that this determination should include an analysis of whether PECO's proposal will endanger moderate income and vulnerable households.

b. TURN *et al.* are concerned that PECO's Pilot Plan does not adequately safeguard customers between 150% and 250% of the federal poverty level who currently are protected from termination for non-payment after November 30 and before April 1, pursuant to 66 PaCS § 1406(e). PECO has proposed that participating customers agree that failure to make payments constitutes a request for discontinuance of service (Pilot Plan and Petition, Pg. 13 at ¶ 24). TURN *et al.* are concerned that customers between 150% and 250% of the poverty level who participate in PECO's program will face an increased risk of winter termination.

c. TURN *et al.* submit that additional review is necessary to determine whether PECO's proposals to require an initial payment of \$40 or greater (Pilot Plan and Petition, Attachment 1 at ¶ 7), to require minimum payments in amounts of \$15 (*Id.*), and to require a participant to pay for any emergency backup credit used and establish a balance of at least \$15 to reconnect service (Pilot Plan and Petition, Attachment 1 at ¶ 15) are reasonable and allow customers to access life essential electric service on affordable terms.

d. TURN *et al.* further submit that additional review is necessary to determine whether PECO's proposals for notifications prior to disconnect comply with state law and regulations, are sufficient and in the public interest.

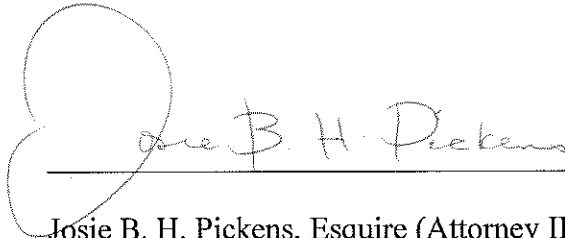
e. TURN *et al.* believe that further review of PECO's Pilot Plan is necessary to determine whether PECO's proposal to allocate 75% of a participant's payment toward future service and 25% towards the arrearage on accounts with a delinquent balance will result in the most affordable arrangement for participating customers. TURN *et al.* also believe that further review is necessary to determine how PECO will allocate grant assistance such as LIHEAP and MEAF funds to these accounts and whether any proposed allocation comports with state and federal law.

f. TURN *et al.* question whether PECO's program is beneficial to customers who shop for electric generation supply. In its Pilot Plan and Petition PECO acknowledges that it cannot provide these customers with daily information based upon generation pricing information for the current month, and that PECO will need to reconcile these customers information at the end of each month. (Pilot Plan and Petition, Attachment 1 at ¶ 17). TURN *et al.* question whether these customers will benefit from inclusion in PECO's program given this anticipated delay in PECO's ability to provide pricing information to shopping customers.

g. TURN *et al.* believe that waivers of Commission regulations should not take place without thorough analysis and review. PECO's Pilot Plan and Petition does not provide the full and comprehensive review that is necessary to determine whether PECO's regulatory waiver requests are in the public interest. TURN *et al.* believe that PECO's waiver requests should be submitted to the Office of Administrative Law Judge for a determination of whether there are any potential negative affects which these waivers may have on PECO's customers, and whether these affects are outweighed by the alleged benefits of the proposed waivers.

h. TURN *et al.* reserve the right to raise other issues that arise in the course of this proceeding.

**WHEREFORE**, TURN *et al.* respectfully request that the proposed Pilot Plan and Petition be set for hearings to ensure that the proposed Pilot Plan and Petition is consistent with Pennsylvania law, adequately protects PECO's customers, and is in the public interest.

A handwritten signature in cursive script, reading "Josie B. H. Pickens", is written over a horizontal line. To the left of the signature is a large, loopy circular flourish.

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