



*Earth Quaker Action Team
Building a just & sustainable economy
through nonviolent direct action.*

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE

Rosemary Chiavetta
Secretary, Public Utility Commission
400 North Street, Keystone Bldg.
Harrisburg, PA 17120

**RE: PECO Energy Company's Pilot Plan for an Advance Payments Program
PUC Docket No. P-2016-2573023**

Dear Secretary Chiavetta,

We are writing to oppose PECO Energy Company's Proposal to offer residential customers Pre-paid Electric Service, currently pending at PUC Docket No. P-2016-2573023. As organizations that work for economic and environmental justice, we know how difficult it already is for many people in our region to afford electricity. For this reason, we have been asking PECO to spur investment in local, rooftop solar in a way that helps make electricity more affordable to low-income people, while spurring badly needed local green jobs. In contrast, PECO's current proposal is dangerous, unnecessary, and will create a second tier of electric service.

PECO's Prepaid Proposal creates a second tier of electric service for vulnerable households

Although PECO purports that its prepay service is designed to give households more options, it would in actuality create two tiers of service: one for those who can afford to post-pay and a second class service for vulnerable households. This second class of electric service is specifically designed to appeal to households who have trouble paying their utility bills, and have previously been shutoff for nonpayment. And yet, PECO's proposal eliminates almost all consumer protections for those households, including protection from termination in the wintertime and availability of payment agreements to restore service, and does not provide any actual benefit to struggling households. Rather, households prepaying for their electricity would likely experience frequent interruptions in electric service, threatening both the health and safety of the household.

The community members our organizations represent would be devastated by such a proposal. Pennsylvania law recognizes that electric service is essential to the health and well-being of residents, to public safety and to orderly economic development, and that electric service should be available to all customers on reasonable terms and conditions. While PECO suggests that it will exclude the poorest households, those under 150% of the Federal Poverty Level, PECO provides no information in its proposal about how it will verify income to protect those families. Furthermore, many households with incomes above 150% of the Federal Poverty Level struggle to adequately meet their basic needs. For these households, PECO's proposal does only harm and provides no benefits.

Prepaid Electricity is Costly

A prepaid electricity model requires customers to pay money in advance of using electricity. As the household consumes electricity, that account balance would decline until the household either runs out of credits or reloads the account with more money. This depletion of funds would be considered a request to discontinue service, rather than a termination. These households would not be entitled to any written notice of termination, nor would they be entitled to protection from termination during the cold winter months. Without a notice of termination, households are unlikely to be eligible for Hardship Funds or LIHEAP Crisis assistance. In addition, households making multiple payments a month would incur transaction fees for each payment – increasing the cost to the household of electric service.

PECO's Prepay Electricity Pilot is Harmful and Unnecessary

A prepaid electricity pilot such as the one proposed by PECO does nothing to address the unaffordability of electric service for households struggling to make ends meet. PECO and the PUC should instead focus their energy on true solutions to this affordability crisis. **One solution that we strongly favor is the development of solar energy that is accessible to low-income customers, so that they can benefit from the energy savings solar provides. Spurring local solar will also create badly needed jobs, which themselves could help alleviate poverty.**

PECO argues that prepay will increase customer choice and flexibility for bill payment and help customers manage their own energy usage. But customers can already make payments in a

number of ways and those with Smart Meters can monitor their consumption using usage data collected by Smart Meters. PECO could provide all customers the same usage-related data that the utility proposes to provide to Prepay customers.

Prepay is also not the best approach to helping customers who cannot afford to pay a deposit or pay off prior debts before establishing new service. Deposits, already prohibited for customers below 150% of the Federal Poverty Level, could also be waived for moderate-income customers, customers could be allowed to spread payment of a deposit over a number of months without an upfront payment to connect to service, or customers could be offered other, alternative ways to establish credit than paying a deposit. Similarly, the utility could offer customers a payment plan to pay off old debt while allowing them to start utility service or develop other approaches to working with customers who have prior debt.

A household's health, safety and welfare should not be the subject of experimentation by an electric utility. At the very least, the PUC should have hearings on PECO's petition, including public input hearings so that the PUC can hear directly from potentially affected customers. Most importantly, the PUC must require PECO to show that such a proposal is in the public interest. By sacrificing critical consumer protections, including all those protections afforded under current law for post-pay customers, we submit that PECO's Proposal is contrary to the public interest.

Sincerely,



Eileen Flanagan
EQAT Board Chair

Rev. Gregory Holston
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