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COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

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 In the Matter of: :  
 :  
 DANIEL DESPIRITO, :  
 Claimant :  
 :  
 vs. : Docket No.  
 : C-20043307  
 :  
 PECO ENERGY COMPANY, :  
 Requests Payment Arrangements. :  
 Initial Hearing. :  
 -----X

Pages 1 through 16

State Office Building  
Hearing Room I  
1400 Spring Garden Street  
Philadelphia, Pennsylvania

Tuesday, January 11, 2005

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

HERBERT SMOLEN, Administrative Law Judge

APPEARANCES:

MARY HOPPER, Esquire  
2301 Market Street  
Philadelphia, Pennsylvania 19101-8699  
(For PECO Energy)

*H.M.*

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C O N T E N T S

<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
Teresa Ann Ferrier	6	-	-	-

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FORM 2

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<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
<u>PECO Energy's</u> No. 1 (Account Statement)	7	7
No. 2 (Payment Terms)	7	7
No. 3 (Report)	7	7

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FOBI2

P R O C E E D I N G S

1  
2 ADMINISTRATIVE LAW JUDE HERBERT SMOLEN: This  
3 is the call of the docket on Tuesday January 11th, 2005.  
4 The first and only case on the docket this morning is that  
5 of Daniel Despirito versus PECO Energy Company, in docket  
6 C-20043307. Let the record show it is now approximately  
7 9:50 a.m., and that the administrative law judge has waited  
8 an additional 20 minutes for the complainant to appear to  
9 prosecute his, complaint but as yet no appearance has been  
10 entered by the complainant or by any counsel for  
11 complainant.

12 Let the record further show that an appearance  
13 has been entered on behalf of the PECO Energy company by  
14 Mary Hopper, Esquire, who has with her one witness. Let the  
15 record further show that due notice of this morning's  
16 hearing was sent by written notice to all of the parties  
17 under date of December 30th, 2004 and that a prehearing  
18 order was sent to the parties under date of January 4, 2005.

19 Did I say 2004 before?

20 MS. HOPPER: Yes.

21 JUDGE SMOLEN: The hearing, notice although  
22 the hearing notice is dated December 2004, it appears that  
23 the notice was actually sent on January 4th, 2005.

24 MS. HOPPER: Was that on the 5th? We  
25 personally received it at PECO on January 4th of '05, so it

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had to be sent prior to that.

JUDGE SMOLEN: But the date on the notice at the top shows December 30th, 2004, which would be correct. And calling for the hearing this morning January 11, 2005. So just to clear the record again and this may be repetitious: The hearing notice dated December 30th, 2004 was sent to all the parties calling for a hearing this morning on Tuesday, January 11th, 2005 at 9:30 a.m. The administrative law judge waited for some additional time for the complainant to arrive but he has not so arrived. So with that I'll ask counsel for the respondent if she has any comments or wants to proceed with any testimony?

MS. HOPPER: Thank you, your Honor. At this point we would like to move to dismiss the complaint for Mr. Despirito to pursue his complaint for PECO, but have available miss Terry Ferrier, the place on the record the basic facts with respect to this case.

JUDGE SMOLEN: We'll take the motion under advisement.

Ms. Ferrier, would you raise your right hand. Whereupon,

TERESA ANNE FERRIER  
having been duly sworn, testified as follows:

JUDGE SMOLEN: Please state your full name and business address.

1 THE WITNESS: My name is Teresa Anne Ferrier,  
2 and I work at PECO Energy Company at 2301 Market Street,  
3 Philadelphia, PA 19101.

4 JUDGE SMOLEN: Go ahead, Counsel.

5 MS. HOPPER: Thank you, your Honor.

6 DIRECT EXAMINATION

7 BY MS. HOPPER:

8 Q. Ms. Ferrier, what position do you have at Peco Energy  
9 Company?

10 A. A regulatory assessor.

11 Q. How long had you been a Regulatory assessor?

12 A. About eight years.

13 Q. How long have you been employed with PECO?

14 A. Twenty-seven years.

15 Q. Can you describe your duties as a regulatory assessor?

16 A. I review formal and investigate complaints filed  
17 against PECO Engery to the Pennsylvania Public Utility  
18 Commission.

19 Q. In the course of your duties as a regulatory assessor,  
20 have you had the opportunity to become familiar with the  
21 account and complaint of Mr. Despirito?

22 A. Yes.

23 MS. HOPPER: Your Honor, at this time I have  
24 documents that I would like to ask to be marked as PECO  
25 exhibits one through three. I have a copy for you and two

1 for the court reporter.

2 JUDGE SMOLEN: They are marked for  
3 identification as counsel has referred to.

4 (Whereupon, the document were marked as  
5 PECO Energy's Exhibit No. 1, 2, and 3 for  
6 identification and received in evidence.)

7 BY MS. HOPPER:

8 Q. Ms. Ferrier, I call your attention to the packet of  
9 documents that have been distributed. If you can refer to  
10 what has been marked as PECO Exhibit No. 1, which I believe  
11 are the first three pages of the handout?

12 A. Yes.

13 Q. Can you please describe this exhibit.

14 A. Yes. PECO Energy Exhibit No. 1 is a billing statement  
15 of the account covering the periods from February 4th, 2003  
16 to the most current bill that was rendered in January on the  
17 5th, 2005. If you look on page 3 of that exhibit No. 1, the  
18 account balance right now is \$6,246.68. This exhibit does  
19 indicate the period of the bill, the number of days in the  
20 billing period, the meter reading and the type, the monthly  
21 bill usage, the daily average use, and of course the amount  
22 billed and any payments applied and the date they are  
23 posted.

24 Q. Can you state what type of service the customer  
25 receives?

FD-302

1 A. Yes. The customer is on a residential heat rate.

2 Q. And you have stated what the current balance is on  
3 this account. When was the last payment received on this  
4 account?

5 A. We haven't received any good payments on the account  
6 during the period that the billing statement covers.

7 Unfortunately, they were returned checks. Once payment were  
8 received they were returned for nonpayment.

9 Q. Calling your attention to PECO Exhibit No. 1, how many  
10 returned checks have been applied or the subject of this  
11 account?

12 A. There has been three that are noted on this billing  
13 statement.

14 Q. And does this customer participate in the PECO  
15 Customer Assistance Program?

16 A. No.

17 Q. Can you states what the average monthly bill is on  
18 this account?

19 A. The average monthly bill is \$237.

20 Q. What is the calculated monthly budget?

21 A. The calculated budget is \$262.

22 Q. Can you describe how the monthly budge amount is  
23 figured?

24 A. We take 12 months of bill revenue and divide by 11,  
25 because our budget plan runs 11 months and then 12 months

1 that's the settled month.

2 Q. Now, calling your attention to what has been marked as  
3 PECO Exhibit 2, which is page 4 of the handout. Can you  
4 identify and explain it please?

5 A. PECO Exhibit No. 2 is a summary of the payment terms  
6 entered into with the customer. It does give you a summary  
7 that payment was negotiated in January of 2003, April of  
8 2003, and two additional payment terms were entered into  
9 with the customer as a result of informal complaints filed  
10 by Mr. Despirito which occurred in August of 2003 and  
11 February of 2004. This exhibit also itemizes the four  
12 factors. The account balance is \$6,246.68. It took level  
13 approximately 26 months for this arrearage to accrue. The  
14 customer he's a level two, and the payment history is poor.

15 Q. Has the complainant complied with any of his payment  
16 arrangements or BCS decisions?

17 A. No.

18 Q. Calling your attention to PECO Exhibit-3, which are  
19 the last two pages of the handout, I'll ask if you can  
20 describe them please?

21 A. PECO Exhibit No. 3, the two pages are copies of the  
22 decision rendered by the Bureau of Revenue Services on two  
23 informal complaints filed by Mr. Despirito. Page one shows  
24 the decision that was rendered in August of 2003 and the  
25 second is page is a copy of the decision rendered in

1 February of 2004.

2 Q. Ms. Ferrier, the BCS decision that was rendered in  
3 February of 2004, that is the subject of the formal  
4 complaint that's at issue today, correct?

5 A. Yes.

6 Q. You had previously stated that the complainant had not  
7 complied with this decision?

8 A. Yes.

9 Q. For the record can you state what the Stammel catch-up  
10 amount would be in this account?

11 A. The Stammel catch-up amount would be \$2,606.

12 Q. Can you describe how you arrived at that amount?

13 A. If you take a look at PECO Exhibit No. 1, the 2004  
14 decision rendered by the Bureau of Consumer Services asked  
15 the customer to pay a budget amount of \$209 plus \$15 towards  
16 the arrears to begin with the March due date. So on page  
17 two of the PECO Energy Exhibit No. 1, I took the bills  
18 covering the period. The first one was due March 1st.

19 JUDGE SMOLEN: Of '04?

20 THE WITNESS: Correct. So I took the bill due  
21 March and the three subsequent bills and multiplied \$209  
22 times four because the calculated budget at that time was  
23 \$209. I multiplied \$209 times four, which equals \$876. The  
24 subsequent four bills I calculated the budget to be \$246.

25 JUDGE SMOLEN: Wait, you said that \$246

1 starts what month?

2 THE WITNESS: With the bill due June 28th,  
3 2004.

4 JUDGE SMOLEN: Wait just a minute. You said  
5 you started at March for 209, April for 209, May 209, and  
6 June 209? You said four times two zero nine?

7 THE WITNESS: The bill was due March 1st, the  
8 bill was due March 29th, April 28th, and May 1st.

9 JUDGE SMOLEN: March?

10 THE WITNESS: March 1st, 2004, March 29th,  
11 2004, April 28th, 2004, and June 1st, 2004.

12 JUDGE SMOLEN: You have a bill April 28th for  
13 \$209; is that correct?

14 THE WITNESS: Yes.

15 JUDGE SMOLEN: And what's the next one?

16 THE WITNESS: The bill due June 1st is also  
17 \$209. So the next bill due is June 28th, 2004. I had  
18 calculated a budge amount of \$246. So I took four months of  
19 billings: the bill due June 28th, the bill due July 29th,  
20 the bill due August 30th, and the bill due September 29th,  
21 and I multiplied \$246 time four, which equals \$984, then I  
22 calculated the budget for the next three bills. The bills  
23 due October 28th, the bill due November 29th, and the bill  
24 due December 28th. And the calculated budget is \$262. I  
25 multiplied that by three, which equals \$786.

1 JUDGE SMOLEN: Before you go on the first  
2 four, the 209 for those four months, what do those total?

3 THE WITNESS: \$836. So I took \$836, \$984,  
4 and \$786. I totalled them up to a figure of \$6,606. The  
5 customer has made no good payment during this period, so the  
6 catch-up Stammel amount would be \$2,606.

7 BY MS. HOPPER:

8 Q. Ms. Ferrier, what is PECO's position with respect to  
9 the payment of the amount owed on this account?

10 A. PECO is asking for the Stammel amount to be paid in  
11 the amount of \$2,606. And then we are also asking the  
12 customer to affirm the BCS decision rendered in 2004 to pay  
13 \$197 and continue to pay the budget amount plus \$15 towards  
14 the arrears amount. And we also ask that these payments be  
15 paid by cash, money order, or certified check, and that the  
16 customer make an effort to apply for our cap-rate program.

17 MS. HOPPER: I have no further questions,  
18 your Honor.

19 JUDGE SMOLEN: So PECO is requesting \$2,606  
20 and then the BCS decision of \$197 plus 15 a month; is that  
21 your testimony?

22 THE WITNESS: The up-front payment on that  
23 decision was to pay \$197. So we are asking for the up front  
24 payment and to continue to pay the budget amount and the  
25 payment towards arrears.

1 MS. HOPPER: That makes \$2,802 up front and  
2 the budget of --

3 JUDGE SMOLEN: You want \$2,606 plus 197?

4 THE WITNESS: Yes.

5 MS. HOPPER: \$2,803.

6 JUDGE SMOLEN: That's \$2,803.

7 MS. HOPPER: Yes.

8 THE WITNESS: Yes, your Honor.

9 JUDGE SMOLEN: And the 197 is added on because  
10 why?

11 THE WITNESS: Because it was the up-front  
12 payment requested by the Bureau services on their decision  
13 which the customer failed to pay.

14 JUDGE SMOLEN: Didn't you count the up-front  
15 amount when you started with March 1?

16 THE WITNESS: No. I just started with the  
17 budget amount.

18 JUDGE SMOLEN: Well, included in the budget  
19 amount of March 1 -- I don't know where you get the 197.

20 THE WITNESS: If you look at the exhibit,  
21 which is PECO Energy Exhibit No. 3 the second page.

22 JUDGE SMOLEN: Yes.

23 THE WITNESS: The Bureau of Consumer Services  
24 asks the claimant to make an up-front payment of \$197.

25 JUDGE SMOLEN: By February 28th.

1 THE WITNESS: February 28th. And then  
2 beginning with the March due date to pay the regular budget  
3 amount of \$209 plus \$15 towards the arrears. So when I  
4 calculated the Stammel amount, I did start with the bill for  
5 a March due date.

6 JUDGE SMOLEN: So you were looking for a  
7 payment on March 28th as well as April 1?

8 THE WITNESS: Yes.

9 JUDGE SMOLEN: And that's where the \$197 comes  
10 from?

11 THE WITNESS: Yes, your Honor

12 JUDGE SMOLEN: So your requested amount is  
13 \$2,803, and then you want the current budget of?

14 THE WITNESS: \$262.

15 JUDGE SMOLEN: Plus \$15.

16 THE WITNESS: Yes, your Honor.

17 JUDGE SMOLEN: So the 197 is the old BCS  
18 decision subsumed in the current budget of 262. In other  
19 words, there is no longer a \$197; it's only 262 because  
20 that's the current budget; is that correct?

21 THE WITNESS: Yes, your Honor.

22 THE WITNESS: The reason I ask for the \$197  
23 to be included in the up-front payment because that was an  
24 up-front payment that was requested.

25 JUDGE SMOLEN: I understand, but I'm talking

1 about assume you receive an order for the \$2,803, what do  
2 you want following that?

3 THE WITNESS: Following that I want him to  
4 pay the budget amount.

5 JUDGE SMOLEN: Which is?

6 THE WITNESS: \$262 presently.

7 JUDGE SMOLEN: And it's changeable based upon  
8 usage upon further review?

9 THE WITNESS: Yes.

10 JUDGE SMOLEN: \$262 plus \$15.

11 THE WITNESS: Yes, your Honor. Thank you.

12 JUDGE SMOLEN: Anything else?

13 MS. HOPPER: I have nothing further,  
14 your Honor, but to request that PECO Exhibits 1 through  
15 three be entered into the record.

16 JUDGE SMOLEN: They are received of record.  
17 Thank you very much. The witness is excused. The hearing  
18 is adjourned.

19 (Witness excused.)

20 (Whereupon, at 10:30 a.m., the hearing was  
21 concluded.)  
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C E R T I F I C A T E

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stencographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.

COMMONWEALTH REPORTING COMPANY, INC.

By: Diana J. Hayes  
Diana J. Hayes

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