



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

January 20, 2017

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: PECO Energy Company Pilot Plan for an Advance Payment Program and
Petition for Temporary Waiver of Portions of the Commission's
Regulations with Respect to that Plan
Docket No. P-2016-2573023

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E)
Prehearing Memorandum in the above-captioned proceeding.

Copies are being served on parties as identified in the attached certificate of
service. If you have any questions, please contact me at (717) 787-8754.

Sincerely,

Gina L. Miller

Prosecutor

Bureau of Investigation and Enforcement

PA Attorney I.D. #313863

GLL/sea
Enclosure

cc: Certificate of Service
ALJ Angela T. Jones

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO Energy Company Pilot Plan for an	:	
Advance Payment Program and Petition for	:	Docket No. P-2016-2573023
Temporary Waiver of Portions of the	:	
Commission's Regulations with Respect to	:	
that Plan	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated January 20, 2017, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

Served via First Class and Electronic Mail

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Gina L. Miller
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #313863

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PECO Energy Company Pilot Plan for an	:	
Advance Payment Program and Petition for	:	Docket No. P-2016-2573023
Temporary Waiver of Portions of the	:	
Commission's Regulations with Respect to	:	
that Plan	:	

**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE ANGELA T. JONES:

In accordance with the Prehearing Conference Order dated December 21, 2016, the Bureau of Investigation and Enforcement ("I&E") hereby submits this Prehearing Memorandum. The I&E prosecutor assigned to this proceeding is Gina L. Miller. Ms. Miller may be contacted as follows:

By Mail: Gina L. Miller
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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I. BACKGROUND

On October 26, 2016, PECO Energy Company ("PECO") filed a Petition for Approval of an Advance Payments Program and a corresponding Petition for Temporary Waiver of Commission Regulations (collectively the "Petition"). The Petition, filed at Docket No. P-2016-2573023, serves as both PECO's request to

implement a pilot program that will enable a select number of residential customers to pay for utility service in advance of usage (“Program”) and its request to waive certain impacted regulations (“waiver requests”).¹ According to PECO, the Program will use a “test and learn” approach to evaluate customer adoption, usage impacts, satisfaction, payment patterns, frequency and duration of disconnections, and the effect of marketing and education strategies for its customers.² In its Petition, PECO proposed a timeline for implementation of the Program,³ commencing with a proposal to obtain Commission approval for the program in the fourth quarter of 2016 and culminating in customer enrollment in the Program between the fourth quarter of 2017 and the first quarter of 2018. PECO opined that its Petition should be evaluated and resolved through a process of written comments and reply comments.⁴

On October 28, 2016, the Commission issued a Secretarial Letter that acknowledged its receipt of PECO’s Petition and set due dates of December 15, 2016 and January 16, 2017 for Comments and Reply Comments, respectively. In accordance with the terms of the Secretarial Letter, notice of PECO’s Petition and the comment deadlines were published in the Pennsylvania Bulletin on November 12, 2016.⁵ On November 15, 2016, the Office of Consumer Advocate (“OCA”) filed a Notice of Intervention and Answer to PECO’s Petition. On the same date,

¹ 52 Pa. Code §52.17(3)(i); 52 Pa. Code §56.17(3)(iii)(B); 52 Pa. Code §56.53.

² Petition at ¶5.

³ Petition at ¶7.

⁴ Petition at ¶37.

⁵ 46 Pa.B. 46.

Intervention Petitions and Answers to PECO's Petition were filed by both the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") and the Tenant Union Representative Network ("TURN") and Alliance of Senior Citizens of Greater Philadelphia ("Action Alliance") (collectively "TURN et al."). In their Answers, OCA, CAUSE-PA, and TURN et al. each requested that PECO's Petition be referred to the Office of the Administrative Law Judge ("OALJ").

On December 15, along with I&E, the following parties filed timely Comments in this proceeding: OCA, CAUSE-PA, TURN et al., PPL Electric Utilities Corporation, the Retail Energy Supply Association, NRG Energy, Inc. ("NRG"), Direct Energy, AARP Pennsylvania, the Aids Law Project of Pennsylvania, CADCOM, the Clean Air Council, the Natural Resources Defense Council, Earth Quaker Action Team, Neighborhood Energy Centers, Philadelphia Workers Benefit Council, and Duquesne Light Company.⁶ As part of their Comments, several commenters, including I&E, requested that PECO's Petition be referred to the OALJ for the scheduling of hearings to develop a full record regarding the Petition.

After Comments were submitted, PECO's Petition was assigned to the OALJ for the development of an evidentiary record, including a Recommended Decision. The OALJ assigned the proceeding to Administrative Law Judge ("ALJ") Angela T. Jones and a Prehearing Conference in this matter is set for

⁶ I&E, PECO, OCA, CAUSE-PA, TURN et al., and NRG also filed Reply Comments.

January 23, 2017. Pursuant to the Prehearing Conference Order issued on December 21, 2016, I&E submits this Prehearing Memorandum.

II. ISSUES

Based upon a preliminary review of the filing, I&E has identified the following area of inquiry, representing a potential issue at this time:

1. Service Termination Provisions
2. Program Costs & Recovery
3. Accounting Treatment for Customer Funds Held
4. Customer Selection Process
5. Pilot Evaluation Criteria

However, I&E reserves the right to address such other issues when those issues arise. Most of the issues raised by I&E will be supported by the Direct Testimony of an I&E witness. If there are issues of Commission policy or legal interpretation that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony, I&E reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed in its Brief.

III. WITNESSES

It is currently expected that I&E may call the following witness without being limited thereto:

Lisa A. Gumby	Fixed Utility Valuation Engineer
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The I&E witness may be contacted through the contact information listed above for Ms. Miller. I&E reserves the right to substitute witnesses or call additional witnesses if warranted.⁷ All active parties will be notified of any amendments to the I&E witness list.

IV. SCHEDULE

I&E is working with PECO and the other parties to develop a mutually acceptable litigation schedule for this proceeding. At this time, a litigation schedule has not been agreed upon by all parties, but I&E proposes the following schedule:

January 2, 2017:	Prehearing Conference
March 7, 2017:	PECO Direct
May 16, 2017:	Other Parties' Direct
June 27, 2017:	Rebuttal Testimony
July 25, 2017:	Surrebuttal Testimony
August 3, 2017:	Settlement Conference
August 23-24, 2017:	Evidentiary Hearings
September 22, 2017:	Main Brief
October 10, 2017:	Reply Brief

⁷ The above listing is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery.

V. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to reach a resolution of any or all issues. However, a discussion of issues that may be settled is not possible until further Discovery has been conducted and the positions of the other parties are known.

VI. DISCOVERY

I&E proposes the following modifications to the Commission's procedural rules in this proceeding:

(1) Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service. Discovery and discovery-related pleadings propounded after 12:00 noon on a Friday or after 12:00 noon on any business day immediately preceding a state holiday will be deemed served on the next business day for purposes of determining the due date of the responses and responsive pleadings.

(2) Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.

(3) Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

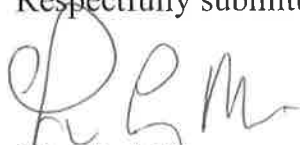
(4) Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

(5) Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.

(6) Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

(7) Discovery-related pleading, such as objections, motions, or answers, served on a Friday or the day before a holiday recognized by the Commission will be deemed to have been served on the following business day for purposes of tracking due dates.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Gina L. Miller', is written over the typed name.

Gina L. Miller

Prosecutor

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission

Dated: January 20, 2017