COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

DONALD and PATTY TAYLOR, v. PECO ENERGY, Further Hearing	Docket No.: F-01482857

Pages 1 - 57

State Office Building
1400 Spring Garden Street
Philadelphia, PA

Thursday, October 12, 2006
Commencing at 10:05 a.m.

BEFORE:

Herbert Smolen, Administrative Law Judge

APPEARANCES:

NONE PRESENT

For the Complainant

MICHAEL S. SWERLING, Esquire
WARD SMITH, Esquire
2301 Market Street/S23-1
P.O. Box 8699
Philadelphia, PA 19101
For the Respondent

ORIGINAL

REPORTER: ALICIA BRANT

INDEX TO WITNESSES

INDEX TO EXHIBITS

NUMBER		FOR IDENTIFICATION	IN EVIDENCE
For the Complainant:			
	NONE OFFERED		

NUMBER		FOR IDENTIFICATION	IN EVIDENCE
For the Respondent:			
No. 9	(2-page document)	11	29
No. 10	(Commission's 1-yr Calculation)	20	29
No. 11	(Step Two calculations)	30	55
No. 12	(Heating degree days)	33	55
No. 13	(Number of people in Household)	45	55
No. 14	(Summary from 2001-2004)	49	55

P R O C E E D I N G S

ADMINISTRATIVE LAW JUDGE HERBERT SMOLEN:

This is a further hearing on Remand in the case of Donald and Patty Taylor versus PECO Energy Company, Docket F-01482857. My name is Herbert Smolen, the Administrative Law Judge in this case. And let the record show that appearances have been entered as follows, Michael S. Swerling, Esquire on behalf of PECO Energy Company and Ward Smith, Esquire on behalf of PECO Energy Company. Let the record show that I --- as of this time, which is approximately ten o'clock on October 12, 2006, no appearance in person or by counsel has been entered on behalf of Donald and Patty Taylor. Let's go off the record for a minute.

OFF RECORD DISCUSSION

JUDGE:

In view of the fact that the Complainants, Donald and Patty Taylor, did appear at the prior hearing on Remand, I'm going to declare a brief recess to afford them some additional time to arrive at the hearing room. And I'll ask some member here, Counsel, to call me if they arrive so we can proceed with the hearing. So as of right now, we'll stand in brief recess.

BRIEF RECESS TAKEN

JUDGE:

Let the record show that it's approximately 10:20 a.m., and no appearance has as yet been entered on behalf of the Complainants, nor have the Complainants communicated with the Office of Administrative Law Judge to explain their absence or inability to attend. Having placed that on the record, I'll ask Counsel for PECO to, if he wants to, bring me up to date on the status of the case and then proceed with the taking of additional testimony.

ATTORNEY SWERLING:

Yes, Your Honor. In this case we're addressing an issue that wasn't decided prior and that is the re-billing and how it was calculated the way PECO did it, and a suggestion by way of how the Commission wants to do that. So that's what we're going to address here. And another issue that we want to discuss about settling the case with the Taylors, and we have a settlement offer out there. My witness can explain it if that's what you'd like, but we wanted to wait until everything was closed in the proceeding before we ---.

JUDGE:

All right then. Let's proceed with the

calling of your witness.

ATTORNEY SWERLING:

My first witness that I'm going to call today is Ms. Teresa Farrior.

JUDGE:

Ms. Farrior, you testified before in this proceeding?

MS. FARRIOR:

No.

TERESA FARRIOR, HAVING FIRST BEEN DULY SWORN, TESTIFIED AS FOLLOWS:

JUDGE:

Please have a seat, keep your voice up, and state your full name and business address for the record.

A. My name is Teresa Ann Farrior, and I work at PECO Energy Company, at 2301 Market Street, Philadelphia, PA, 19101.

JUDGE:

Counsel?

DIRECT EXAMINATION

BY ATTORNEY SWERLING:

Q. How long have you been employed at PECO, Ms.

Farrior?
A. Twenty-nine (29) years.
Q. And what is your job title?
A. Currently, I'm a regulatory assessor.
Q. In the course of your employment at PECO, have you become familiar with the account of Mr. and Mrs. Taylor?
A. Yes.
Q. And can I now refer you to what has been marked as PECO Exhibit Number Three?

JUDGE:

Let the record show that Counsel has handed me a three-page --- it's a two-page document, which has been marked for identification as PECO Exhibit Number Three. So marked for identification. Go ahead.

ATTORNEY SWERLING:

I'm sorry. We had a change of plan. We'd like to introduce another exhibit first.

JUDGE:

All right.

ATTORNEY SWERLING:

It would be more fair ---.

JUDGE:

Okay.

ATTORNEY SWERLING:

You understand. So let me grab that back before we start with ---.

ATTORNEY SMITH:

We'll put that in shortly.

ATTORNEY SWERLING:

Yeah. We'll put it in shortly.

JUDGE:

Well, let's hold it.

ATTORNEY SWERLING:

Okay.

JUDGE:

It's marked as PECO Exhibit Three. We'll authenticate it later on. Go ahead.

ATTORNEY SWERLING:

My apology, Your Honor. We've got a little confusion here. We thought we had a plan of action, but --- we each thought we had a plan of action and it's different from each other's. Can we take two minutes?

JUDGE:

Oh, yes. That's all right. Let's stand in brief recess.

OFF RECORD DISCUSSION

JUDGE:

I understand you want to withdraw Ms. Farrior at this time and recall her at a later time?

ATTORNEY SWERLING:

Yes, Your Honor.

JUDGE:

All right, you're excused.

A. Thank you, Your Honor.

JUDGE:

Go ahead. You want to call your next witness?

ATTORNEY SWERLING:

I'd like to call my next witness, Ms. Jane Kueny.

JANE KUENY, HAVING FIRST BEEN DULY SWORN, TESTIFIED AS FOLLOWS:

JUDGE:

Please keep your voice up, state your full name and business address.

A. It's Jane Kueny. I am employed with PECO Energy Company at 2301 Market Street.

JUDGE:

You can have a seat. Is it --- would you spell your last name for the reporter?

A. K-U-E-N-Y.

JUDGE:

Go ahead, Counsel.

DIRECT EXAMINATION

BY ATTORNEY SWERLING:

Q. Ms. Kueny, how long have you been employed at PECO?

A. Eleven (11) years.

Q. And what is your current job title?

A. I'm a revenue protection billing consultant.

Q. And could you briefly describe your duties as a revenue protection billing consultant?

A. I analyze and investigate theft and back bill.

Q. And in the course of your employment with PECO, have you become familiar with the account of Mr. and Mrs. Taylor?

A. Yes.

Q. Now, I referred you to what has been marked as PECO Exhibit Number One. Do you have a copy?

A. Yes.

JUDGE:

Before we go with the numbers, I'm looking at the transcript of the May 25, 2006 ---.

ATTORNEY SWERLING:

We started this. There was a billing

error and now we're going back to be correct --- if you give us time, to correct it.

JUDGE:

I'm talking about the number of the exhibit.

ATTORNEY SWERING:

Oh, I see what you're saying. You want me to change the number. I was not sure how to address that, if they were supposed to be in order?

JUDGE:

Well, the last one that I have here, it says Number Eight.

ATTORNEY SWERLING:

Okay. So this will be Number Nine then.

JUDGE:

Okay. So I'll have this marked --- this is a two-page document marked for identification as PECO Exhibit Number Nine.

(PECO Exhibit Number Nine marked for identification.)

JUDGE:

You want to correct the court reporter's?

ATTORNEY SWERLING:

This new exhibit is --- I just said it was Exhibit One, my mistake. It's now going to be

Exhibit Nine.

JUDGE:

Okay. Please proceed.

BY ATTORNEY SWERLING:

Q. Now, what is step one in the Taylor's back billing equation according to this exhibit?

A. We first determined the daily average usage over a sample summer and winter period to rebill the account.

A. Okay. Can you go into depth as to the sample period --- how you determined what it is, et cetera?

A. Yes. The first initial reading taken off of the new meter would be February 25th of 2002, with a reading of 1,474 compared to a reading of 4/26/2002 at 3054. We come up with the difference of the kilowatts, which is 1,580, and we divide that by the number of days, which is 60 days, and we come up with the --- what we refer to as the winter period at 26.3, daily average usage per day. Then we go over the summer period, which we used the readings from June 26, 2002 at 4,975 to August 27th, 2002 at 8,821. We come up a difference of 3,846, and we divide that by the number of days as 62, and come up with 62.0 daily average usage per day for the summer period.

Q. Now, I refer back to the original daily average use, winter period. The first reading was February

25th, 2002. Why did you start with that reading? Why did you start that at that time?
A. That was the first good reading off of the new meter, after the conditions were found.
Q. And why did you use the summer period beginning with June 26th, 2002?
A. For the same reason --- we skipped the first summer usage.
Q. Okay. Now, why did you use a period of 60 days in winter and 62 days in the summer as your basis for usage in rebilling here?
A. To be fair to the customer, we normally give them an average between 30 and 60 days. At this point, from the period of when we picked up the billing to back bill, we gave them the 60-day average.
Q. So you're saying you're being fair to use this sample, because it's quicker and in their favor?
A. Yes. It's a quicker and a faster way to get the billing out.
Q. Now, if I could refer you to step two. If you could explain what step two in the back billing equation is?
A. We take the billing period, which we've determined to be March 27th of 1998 and up until January 11th of 2002. We take each individual period, summer and

winter during that period, and multiply it by the daily average usage for both summer and winter. Multiply that by the number of days in each period. For example, March 27th, 1998 to May 27th of 1998, that would end our winter period for that cycle. It would be 60 days, multiplied by what we determine to be our winter usage of 26.3. We come up with 1,580 kilowatts that we determined to be used during that time.

Q. One point I would like to bring out is just --- while we're going over this equation, this is the way PECO originally did the back billing equation; correct?

A. Yes. That's correct.

JUDGE:

Now this period of time from March 27, 1998 to January 11, 2002, what period does that represent?

A. There's summer --- you mean as versus ---?

JUDGE:

I understand the summer and winter, but why from March 1998 to January 2002?

A. The period of when the meter was defective.

JUDGE:

Okay. So you're saying that in January

11 --- well, January 11, 2002 is when the meter was discovered to be defective?

A. The conditions were found, yes.

JUDGE:

Okay. And those conditions --- yes, correct. Go ahead.

BY ATTORNEY SWERLING:

Q. If I could actually ask you real quick, can you explain what PECO's summer period is and winter period is, from month to month?

A. Yes. Our billing periods for winter start in September and ends in May. The day all depends on the billing cycle. And summer starts from May to September. There's eight months of winter and three months of summer.

Q. Now, going back to step two --- the last column, revised kilowatt usage --- what's the total revised kilowatt usage for that time period?

A. 54,028.

JUDGE:

Kilowatt hours?

A. Kilowatt hours.

JUDGE:

Go ahead.

BY ATTORNEY SWERLING:

Q. Now, this is the total kilowatt usage for that period? In other words, you have to subtract out the already-billed kilowatt usage from the periods; is that correct?
A. That's correct.
Q. Can you clarify, so there's no confusion, what does that exactly mean?
A. We take the previously-billed kilowatt usage for that exact time period, and we subtract that out of the average bill --- the average usage that we determined, and we come up with the difference. That's what's billed back to the customer.
Q. I think you can clarify that in step three. So step three has the previously-billed kilowatt usage. What total amount is that?
A. Yes, 39,541.
Q. Okay. How did you get to that total number?
A. We took the previously-billed kilowatt usage and we subtracted out the revised kilowatt usage, and we came up with the difference. And for that time period of March 27th, 1998 to January 11th of 2002, there's a difference of 39,541 kilowatts.

JUDGE:

Let me just ask a couple of questions.

ATTORNEY SWERLING:

Sure.

JUDGE:

The previously-billed kilowatt hour usage is in the second column in step three; is that correct?

A. The second column, yes.

JUDGE:

And the total for that period of time that was previously billed was what, in kilowatt hours?

A. 14,486.

JUDGE:

All right. In the third column, you have set forth the revised kilowatt usage as you computed in step two; is that correct?

A. That's correct.

JUDGE:

And then in the fourth column, is the result of the subtraction of the revised kilowatt usage computed by you, versus the actual bill; is that correct?

A. That's correct.

JUDGE:

And you subtracted that and your conclusion is that 39,541 kilowatt hours were

unbilled?
A. Yes.

JUDGE:

Okay. Go ahead.

BY ATTORNEY SWERLING:

Q. If I could now refer you to step four of this exhibit. Could you please explain what step four is?
A. Okay. Basically, we're doing the same thing except with the revenue. We take the previously-billed revenue ---.

JUDGE:

So step four is the same as step three, but the units are dollars rather than kilowatt hours, as in step three; is that correct?
A. Correct.

JUDGE:

And you've followed the same methodology? You subtracted the previously-billed revenue versus the revised revenue that you have computed?
A. That's correct.

JUDGE:

And what was the result?
A. $5,308.60.

JUDGE:

And what does that dollar figure

represent?
A. That's the difference in the billing for the time period from what was billed to the customer and what was revised. And that would be billed ---.

JUDGE:

And that's what PECO claims has been --- the amount of energy used but unpaid for?
A. Exactly. Yes. Correct.

JUDGE:

Okay. Go ahead.

BY ATTORNEY SWERLING:
Q. Now, what's the total amount that is used, but unpaid for, that PECO says the Taylors owe?
A. $5,308.60.
Q. Now, isn't that a different amount than the original rebill sent to the Taylor's in August of 2003?
A. Yes, it is.
Q. Do you know what the original amount we had claimed it was?
A. $5,411.30.
Q. Why is there a difference now? Can you explain the difference between those two figures?
A. Well, the difference is --- there was a minor error in --- a calculation error that was made that

became apparent in the last hearing and we've now resolved that. For the first billing period, which was March 27th, 1998 to May 27th, 1998, in which the number of days we calculated to be 90, in actuality they were 60. So it amounted to a $102 difference. And we now --- we've since adjusted that.

Q. Okay. If I could now refer you to what has been marked as PECO Exhibit Number Ten.

JUDGE:

Now, which one is that?

ATTORNEY SWERLING:

I'm going to hand it to you right now.

JUDGE:

Okay. All right. What we have marked for identification is a three-page document. It's marked as PECO Exhibit Number Ten. Go ahead then.

(PECO Exhibit Ten marked for identification.)

BY ATTORNEY SWERLING:

Q. Could you briefly explain what this exhibit is?

A. This is a calculation that was suggested by the Commission, to use a one-year measurement versus the 60-day method that we were using for both periods during the summer and winter.

Q. Now, the Commission suggested that it would be

better to use a one-year sample period to calculate the daily average use, and then apply it to the back billed period. So you're saying you did this with this exhibit?

A. Yes.

Q. Now, what is step one in this one-year rebill equation?

A. We determine the daily average usage over the sample one-year period, which is broken down month to month rather than period, summer and winter.

Q. And can you just explain how you did the calculations to arrive at the daily average usage for each month?

A. We took the total kilowatt usage for the one-month period, divide it by the number of days. And we're coming up with a daily average usage for each month.

Q. And again, why did you use this period --- the period beginning with February 25th, 2002, just so we're clear?

A. That is the first actual reading off of the new meter.

JUDGE:

So these figures are based on actual readings?

A. Yes.

JUDGE:

When the meter was in proper condition?

A. Yes.

JUDGE:

All right.

BY ATTORNEY SWERLING:

Q. Moving on to step two, on page two --- the exhibit. What's the next step in the one-year back bill equation?

A. We then take the daily average usage calculated over that one-year period, and apply it to the rebilling periods to get the revised kilowatt usage.

Q. Can you just walk us through, starting with 3/27/98, how you did the calculation?

A. Sure. We take --- the first month would be a 29 day period from March 27, 1998 to April 28th of 1998. So 29 days, divided by the actual usage of 30.8 daily average, and we're coming up with a revised kilowatt of 893 kilowatts for that month.

Q. And what is the total revised kilowatt usage?

A. 52,361.

Q. Now, can you explain what the difference is, between the way we calculated it under our winter/summer sample period, and the way the

Commission has asked us to calculate it over the one-year period?
A. There wasn't much of a difference. The difference was 1,667 kilowatts, which amounts to about three percent difference from what we originally calculated with the 60 day.
Q. Could you explain what the total kilowatt hours was from the way --- what the total number was from the way PECO calculated it? Can you demonstrate and compare it to the way that we calculated it after the Commission asked us to do it at one year, just so we know how you got the 1,667?
A. We took our original calculation of 55 --- 54,028 and subtracted out the year difference of 52,361, and came up with the difference of 1,667.
Q. And is that noted at the bottom of this exhibit, step two?
A. Yes, it is.

JUDGE:

Where is that at the bottom?

ATTORNEY SWERLING:

There should be a note right down at the bottom of the page, somewhat smaller ---.

JUDGE:

What page, page two?

ATTORNEY SWERLING:

Page two, Your Honor.

JUDGE:

Which note is it? Let the witness read the note that you're referring to.

A. The difference between the sample winter/summer approach originally billed was ---

JUDGE:

Okay.

A. --- 54,028 kilowatt hours.

JUDGE:

Very good.

ATTORNEY SWERLING:

Keep going.

A. And the one year approach, 52,361 kilowatt hours, the difference is 1,667 kilowatt hours or three percent.

BY ATTORNEY SWERLING:

Q. Now, this is the total revised kilowatt usage. You have to get the actual, so what do you have to do to get the unbilled part of the revised --- the unbilled part of the kilowatt hour usage?

A. We ---.

Q. It should be part of the note, ---

A. As far as dollars, ---

Q. --- if you want to read it.
A. --- the difference between the sample winter approach was 39,541 kilowatts and the one-year approach was 37,875 kilowatts, and that's also a difference of three percent.
Q. Okay. So you're taking the number at the bottom that provides kilowatt usage, which is 52,361, and you're subtracting out the previously-billed kilowatt hour usage, which we've already testified to --- you've already testified to, is 14,486. And that's given you the total owed at this point?
A. Yes. The total owed.
Q. It's 37,875 kilowatt hours?
A. Right. Correct.
Q. Now, what's the difference between the 37,875 and the 39,554 actual kilowatt hour usage that we got?
A. Okay. That's also a difference of three percent.
Q. And 39 ---.
A. There's not ---.
Q. I'm sorry. The 39,541 is the actual kilowatt usage that PECO got when we did our sample ---
A. Yes.
Q. --- calculation? And the 37,875 is the way --- or is the kilowatt hour usage we got when we did it a little under one percent?

A. Yes.
Q. Now, can I refer you to step three in this exhibit?
A. Yes.
Q. And what is the next step after you get the revised kilowatt usage?
A. After we determine the revised kilowatt usage, we then take that and turn that into a re-calculation of dollars. And we arrived at the total of revised revenue, and we subtract that amount from the already-billed revenue.
Q. So you're basically doing the same thing we did in the prior step, you're just using money instead of kilowatt hours?
A. Yes.
Q. Okay. Now, what was the total revenue owed that you got?
A. The total revenue owed was $7,060.46.
Q. Okay. Can you just run through quickly, explaining how you got to that? Just by columns, just so it's clear on how the calculation's being done.
A. Okay. So for the first period, which was March 27th of 1998 until April 28th of 1998, there were 29 days. The daily usage of 30.8 kilowatts per day, monthly kilowatts --- multiplied by that, you have a

monthly kilowatt of 893, which amounts out to $121.64. So we take that for each period and come up with a total of $7,060.46.

Q. Okay. Now, the daily average use that you're using, after referring back to step one, my question is, the daily average use that you got in step one, how are you applying that to a four-year back bill period in this step three?

A. Well, we're using the same daily average usage for that period, for the back billing period.

Q. So you got a sample of the daily average use for 2002; correct?

A. Yes.

Q. And you're applying that exact sample to 1998, then repeating it for 1999, and repeating it for 2000, 2001; correct?

A. Yes.

Q. All right. Now, you have to get the revised revenue, because we already billed them some. So can you explain how you get the revised revenue?

A. Okay. We subtract the previously-billed revenue from the revised revenue, calculated over the one-year approach, we come up with --- our revised is $7,060.46, minus the previously billed, which is $2,037.71. There's a difference of $5,022.75.

Q. And this is part of step four; correct?
A. Yes.
Q. Now, you know how big the difference was between this amount we calculated and any amount that we calculated after we did it the way the Commission suggested to do it?
A. Right. The difference between the revised revenue and the one from our winter/summer approach, versus the one-year approach, is a difference of $285.25, which is about a five-percent difference.
Q. That's not a very big difference; is it?
A. No.

ATTORNEY SWERLING:

Those are all the questions I have for this witness at this point, Your Honor.

JUDGE:

All right. I have no further --- no questions of the witness. I've asked my questions and I've gotten the answers. Thank you very much.
A. Okay. Thank you.

JUDGE:

You're excused. I assume you're moving these exhibits, Counselor?

ATTORNEY SWERLING:

Yes. I would ask at this point in time

that these exhibits be admitted.

JUDGE:

All right. PECO Nine and Ten are received into the record.

ATTORNEY SWERLING:

At this point in time, I would like to call my next witness, Ms. Teresa Farrior.

JUDGE:

All right, Ms. Farrior. You've previously been sworn. You can have a seat, please.

TERESA FARRIOR, HAVING BEEN PREVIOUSLY SWORN, TESTIFIED AS FOLLOWS:

JUDGE:

State your name and business address again, so that the record is clear.

A. My name Is Teresa Ann Farrior, and I work at PECO Energy Company, at 2301 Market Street, Philadelphia, PA, 19101. Thank you.

JUDGE:

Go ahead, Counselor.

ATTORNEY SWERLING:

One second, Your Honor. I just need to find one thing.

DIRECT EXAMINATION

BY ATTORNEY SWERLING:

Q. Okay. Ms. Farrior. How long have you been employed by PECO?

A. Twenty-nine (29) years.

Q. And what is your current job title?

A. I'm a regulatory assessor.

Q. And could you briefly describe your duties as a regulatory assessor?

A. Yes. I review and investigate formal complaints filed with the Pennsylvania Public Utility Commission against PECO Energy Company.

Q. In the course of your employment at PECO, have you become familiar with the account of Mr. and Mrs. Taylor?

A. Yes.

Q. And can I now refer you to what has recently been marked as PECO Number Eleven?

JUDGE:

Which one is that? Is that the first one-page?

ATTORNEY SWERLING:

Yes. Actually --- yes.

JUDGE:

All right. PECO Exhibit Number

Eleven is a two-page document. If the record should refer to this document as PECO Exhibit Three, we're now correcting it, so that this two-page document is PECO Exhibit Number Eleven. So we'll let the witness identify it. Go ahead, Counsel.

(PECO Exhibit Eleven marked for identification.)

ATTORNEY SWERLING:

Thank you, Your Honor.

BY ATTORNEY SWERLING:

Q. Part of this case was Remanded, to account for certain things that PECO did not take into account, while preparing the rebilling, according to the Commission. These things are conservation, heating and cooling days, and number of occupants. So I would like to take you through these issues now, if that's okay?

A. Yes.

Q. Have you performed any analysis of seasonality or weather for this account?

A. Yes, we have.

Q. Okay. Can I now refer you to what has been marked as PECO Exhibit Three, page number --- I'm sorry, PECO Exhibit Number Eleven, page number one?

A. Yes.

Q. Can you please explain what this exhibit is, for the record?
A. Yes. At the top of the page, the page is broken down to heating degree days and cooling degree hours --- cooling degree days. So the top portion of that exhibit gives you the breakdown between January and December, but it notes through the years 1998, 1999, the year 2000 and the year 2001. It captures the heating degree days for each year, and at the bottom of the columns, you'll see the totals.

So if you look at the first column, it was the 1998 heating degree days. They totaled, 3,810. In 1999, they totaled, 4,463 and if you just continue along the page ---.

JUDGE:

Now, let me interrupt for a moment. I may be stepping on Counsel's question. Define what a heating degree day is?
A. A heating degree day is --- I think we were going to pass out this exhibit also.

JUDGE:

Oh, all right.

ATTORNEY SWERLING:

I have another exhibit here, to go with Exhibit Number Twelve. I'm going to get a copy for

Your Honor.

JUDGE:

We have marked for identification a one-page document. That's PECO Exhibit Number Twelve.

(PECO Exhibit Twelve marked for identification.)

JUDGE:

And it appears to define heating degree days and cooling degree days. Go ahead, Ms. Farrior. Why don't you explain what a heating degree day is?

A. A heating degree day is, the difference between 65 degrees, and the 24-hour temperature when the temperature is under 65 degrees. Hourly temperature readings are recorded for a 24-hour period, and then the average of these temperatures is established or calculated. This figure is then subtracted from 65, because heating engineers have determined that if the temperature is 65 or below, heating is required. So thus, if the average temperature is 45 degrees, there are 20 degree days. And the way we calculated that is, you take 65 as the temperature, minus 45 degrees which was the average temperature, and it equals to 20 degree days.

JUDGE:

So every 24 hours, a temperature is

established?
A. Yes. Every day, every hour.
JUDGE:
And then an average for that particular day is computed?
A. That's correct.
JUDGE:
And that average is then subtracted from 65, and the difference is then --- if there is a difference, is then a degree day?
A. Yes.
JUDGE:
Okay. Go ahead. Now, what about cooling degree days --- or cooling degree hours?
A. Hours are a little bit different. And this is what we use for the summer cooling season, which is June through September. Cooling requirements are measured in cooling degree hours rather than in degree days, as in heating. The principal is a lot the same, but a little bit more complicated, because we have to take into consideration moisture or humidity. The moisture in the air is a great factor in cooling needs, as well as the temperature itself. So every hour we take a temperature reading and the humidity reading, and there's a calculation used to determine

what the cooling degree hours are.

JUDGE:

Okay.

BY ATTORNEY SWERLING:

Q. Now, how are the heating days and the cooling days calculated during the four-year period, so for each column January, February, March ---?

JUDGE:

That's back to Exhibit Eleven?

ATTORNEY SWERLING:

Backwards.

A. Well, since the cooling degree hours and the heating degree days are captured every day, we capture each day, the heating degree days and the cooling degree hours, and then we just sum each year --- total each figure. So in January 1998, there was 736 heating degree days. We captured it for each month, we took it for each day to figure out the monthly total, and then we had the yearly total.

Q. Now, do you use the same calculations for the heating and cooling days for the proxy year 2002? And let me explain quickly what the proxy year 2002 is. That's the year where we're basing our back billing on. So we took the sample either 60 days in summer, 60 days in winter or the one-year period. We did it

for 2002.
A. Yes. If you look in the column that has a header of proxy, this is the heating degree day information and the cooling degree hours information, for that specific year that the Commission zoomed in on 2002 to 2003. So it's just a total, once again, of the heating degree days, which was 4,609, and the cooling degree hours totaling 11,305. It's highlighted, it's underneath that column.

JUDGE:

So the one-year period for heating degree days using the Commission method --- the Commission-suggested method, resulted in how many degree days?
A. Well, we used the period that the Commission suggested, 2002 to 2003, because that's actual usage. So this is actual data, as far as the heating degree days and the cooling degree hours. So for the period suggested by the Commission, the total heating degree days was 4,609.

JUDGE:

And what about the average that you computed over four years?
A. Yes. If you look to the column to the left of the proxy column, what we did is we took an average

--- a heating average over four years for the period of 1998 through 2001.

JUDGE:

You added those totals together and divided by four?

A. Yes.

JUDGE:

And came up with what number?

A. Well, our average for the four-year period, for the heating degree days, was 4,305.

JUDGE:

And you followed the same methodology with the cooling degree hours?

A. That's correct, Your Honor.

JUDGE:

Now, it says cooling degree days in red at the bottom. You mean cooling degree days or is that the correct nomenclature?

A. The correct term is cooling degree hours, but they're used interchangeably in our company ---

JUDGE:

Okay. Very good.

A. --- because we say heating degree days and cooling degree days, but it's actually hours on the cooling side.

JUDGE:

What's the significance, from PECO's point of view, between the 12-month period and the four-month average? This difference of 304 heating degree days, what's the significance of that?

A. Well, the reason we brought this to light, it just shows that for the period that we used --- using our calculations versus the proxy period, there was a difference on the heating side of 6.6 percent, and on the cooling side, it was a difference of 19.1 percent. So it shows that there was no over-billing.

JUDGE:

Now, how does it show that there was no over-billing?

A. I mean, it shows that the period that we used to calculate the revised bill, when the meter wasn't working properly, is less than what the actual heating degree hours are for the year that we zoomed in on as far as the Commission was concerned.

JUDGE:

Now, this proxy is actual?

A. Yes. That's actual, yes.

JUDGE:

Okay. You testified to that before. So what you're saying --- your testimony is that your

estimated heating degree days and estimated cooling degree days computes to be less than using actual ---

A. That is correct.

JUDGE:

--- degree days in your re-billing?

A. Yes.

JUDGE:

Okay.

ATTORNEY SWERLING:

See, Your Honor, if I could offer this as well. The Commission asked us effectively, was there a weather difference between 2002, which is the year that we calculated the bills, and the bills that we were applying that to. This shows the answer to that question. Was there a difference between the weather in those two years? The question of what effect that would have on --- that change in weather would have on, our re-billing will be addressed in a subsequent exhibit, and with subsequent questions.

JUDGE:

Very good.

BY ATTORNEY SWERLING:

Q. If I would ask you why the cooling degree hours seem higher in 2002, the 19.1 percent difference?

A. I want to suggest that it was a much warmer

summer.
Q. Can you point out why it was --- why you think it was a warmer summer --- on the chart, the cooling degree days, please?
A. Well, if you zoom in on the June period, for the 2002 period --- the cooling degree hours for June was 1,952, then it increased to 4,083 for July, then it was 3,920 for August. So that's an indication that it was warmer.
Q. And what are the total cooling degree hours in 2002? What does that come to?
A. 11,305.
Q. That's pretty large for cooling degree hours; correct?
A. Well, when you compare it to the period that we were in question, in 1998 to 2001.
Q. It's larger compared to the four-year average?
A. Yes.
Q. All right. Ms. Farrior, obviously changes in weather are going to affect usage to some extent; correct?
A. Yes.
Q. Now, would the changes in weather affect every household in the same manner?
A. Certainly not.

Q. What would cause differences in how the weather affects usage in the household?
A. There's a lot of factors that --- the number of appliances, the size of the appliances, the type of appliances, lifestyle.
Q. Is there any data you have that helps demonstrate this point for the Taylor's household?
A. No.
Q. Could I actually refer you to PECO Exhibit Number Eleven, page two?
A. Yes.
Q. Now, doesn't this data help you demonstrate the point you were making for the Taylor's household on differences in ---?
A. I'm sorry. Yes, I have it, Your Honor.
Q. Please explain what this exhibit is for the record? You might want to tell again what page and what exhibit number it is, so we're all on the same page.
A. We're on page two, PECO Number Eleven.
Q. Now, what's going on with this exhibit?
A. This exhibit shows the degree days and the cooling degree hours for the period 2003 and 2004. So the first column is 2003. It gives you a monthly total of the heating degree days. The last line or the last

row is the total. So in 2003, the total heating degree days was 4,871. And in 2004, the total degree days were 4,520. So all we did in the third column is take an average of the two years to get an average total heating degree day, and it came to 4,696.

So then what we did is took the period suggested by the Commission, the period from February 2002 to February 2003. And we took the actual heating degree days for that period, which totaled 4,609. So the very last column is just the difference between the average and the actual, and we just did the same methodology as far as the cooling degree hours, in the second set of information.

Q. Now, what was the purpose of doing this? Doing this comparison, what does that tell about weather and how it affects usage?

A. Well, the difference --- if you look at the heating difference, it was 1.9 percent difference. And if you look at the cooling difference, it was 24.2. So in the actual usage ---.

Q. Can you tell, 2004, was it a hot summer or was it a mild summer?

A. Well, based on the number of cooling degree hours, it was much more mild than 2003. Because in 2003, the total cooling degree days or hours totaled 11,141, but

in 2004, they only had 6,004 cooling degree hours. So it appeared to be a much milder summer in 2004.

Q. And do you know how many --- the Commission at one point had said that from 2003 to 2004 there was 7.3 percent drop in usage. What does this exhibit tell you about --- I'm sorry. So they said there was a 7.3 drop in usage and they link that to conservation efforts by the Claimants. What does this exhibit tell you about conservation?

A. Well, by looking at this exhibit, the cooling degree days differed by 24.2 percent, and the difference in the bill was seven percent. I mean, that's quite a difference. Why didn't the bill decrease more?

Q. So are you saying that this demonstrates that they weren't conserving much at all?

A. It doesn't appear to be, yes.

JUDGE:

In what year?

A. In 2004.

JUDGE:

That they were not conserving?

A. Correct.

BY ATTORNEY SWERLING:

Q. Now, ---.

JUDGE:

Wait a minute. Even though the total cooling degree hours is so much less?

A. That's exactly it, Your Honor. The difference between the 2003 cooling degree hours versus the 2004 cooling degree hours, it's almost half, and the bill decreased in 2004 by seven percent. So our contention is that they weren't conserving it at all. To us, it should have been a greater reduction.

BY ATTORNEY SWERLING:

Q. Is it your contention that the seven percent difference is just contributable to the mild winter --- or summer? I'm sorry. Is it your contention that the 7.3 percent drop in usage between 2003 and 2004 is not attributable to conservation, it's really only attributable to ---?

A. To the drop in the number of cooling degree hours. It was a much milder winter, so --- I mean summer. Excuse me.

Q. Do you know how many occupants were in the household at this point in time, in 2004, the mild winter/summer?

A. Yes. According to the information, in 2004 there were five occupants.

Q. Can I now refer to what has been marked as PECO

Exhibit Number 13? Do you have a copy of that, Ms. Farrior?

JUDGE:

We have the one-page document, which we're marking as PECO Exhibit 13. It may have been marked previously as PECO Four, at today's hearing, but it is now PECO 13.

(PECO Exhibit 13 marked for identification.)

BY ATTORNEY SWERLING:

Q. Can you please explain what this exhibit is for the record?

JUDGE:

Before you go on, make sure that the court reporter's copies are correct with the correct numbers. You can do that later on.

ATTORNEY SWERLING:

Yes, Your Honor. Will do.

JUDGE:

Go on.

BY ATTORNEY SWERLING:

Q. Ms. Farrior, could you please explain what Exhibit 13 is, for the record?

A. Yes. Exhibit 13 concerns the number of people in the household. And what we did is, for the period

between March of 1998 and through January of 2002, we took the number of people that are in the household and we just came up with a weighted average.

JUDGE:

Now, where did you get these numbers of persons in the household?

ATTORNEY SWERLING:

This was testimony from the prior hearing, Your Honor.

JUDGE:

Okay. Go ahead.

A. So the bottom line here, what we've come up with is, that during in the period of March 1998 through January 2002, the average number of people per month in the household is about 4.3, or equal to five --- almost five. So what we're trying to correlate is that during the period where we've re-billed, compared to a time period in 2004 when we know we have actual use and we know that there were five people in the household. With five people in the household in 2004, there was a seven-percent decrease in the bill. We're just trying to make the correlation. And we're also trying to say that the number of people in the household doesn't necessarily --- doesn't impact the bill as far as billed usage or kilowatt hours used.

Q. So you're saying over the entire four-year back bill period, you got a weighted average of about almost five people in the house ---

A. Yes.

Q. --- per month?

JUDGE:

That doesn't show on this exhibit, does it?

A. Well, we came up with 4.3.

BY ATTORNEY SWERLING:

Q. Well, 4.3 is almost five.

JUDGE:

That's at the bottom?

A. Right.

ATTORNEY SWERLING:

Yes. She got 4.3, Your Honor.

BY ATTORNEY SWERLING:

Q. So now you're saying that in the year 2004, when you had five occupants in the house, ---

A. Correct.

Q. --- it's a milder winter and they're getting accurate price signals. So they should be more equipped and more driven to conserve energy, that their usage only dropped by 7.3 percent?

A. That's correct.

Q. Now, in the summer, when it's pretty mild and you don't have to use air conditioning, and you're prompted or you desire to conserve energy, don't you think that the conservation efforts would be much more than 7.3 percent?
A. Yes. It should have been a greater decrease.
Q. Now, what does this say about their conservation efforts of the back bill period --- the four-year period, being that it's a 4.3 weighted average over --- that spreads out over the four years, compared to 2004?
A. Well, it's a comparable period when --- it's a comparable number of people in the household. In 2004 there were five people in the household. We know that for a fact. The weighted average for the period that we re-billed for the number of people at the property was 4.3, almost five.
Q. So are you saying they weren't really conserving over this four-year period? Or are you saying that conservation didn't have much of an impact on their bill in this four-year period, as compared to 2004?
A. I don't believe it did, no.

ATTORNEY SWERLING:

One second, Your Honor, please.

BY ATTORNEY SWERLING:

Q. Okay. Ms. Farrior, what is your conclusion at this point, in regards to the heating and cooling days and conservating --- these points, conservation and number of occupants in the house, heating and cooling days and how it should affect the Taylor's billing --- back billing?

A. Well, I believe that we have --- I think we have one more exhibit?

Q. Oh, okay. Well, why don't you use that exhibit to explain the questions I just asked? And let me mark that as ---

A. PECO Exhibit Number 14.

ATTORNEY SWERLING:

Last one.

JUDGE:

One-page document marked for identification as PECO Exhibit 14.

(PECO Exhibit Fourteen marked for identification.)

A. Your Honor, PECO Exhibit Number 14 is a summary zooming in on the year 2001, 2002, 2003 and 2004. The second row, will indicate the family size, during those particular years. And then the following rows give you the usage and the monthly daily average use for January through December for each year, 2001,

2002, 2003 and 2004. It also provides the total kilowatt hours billed for that year, for each year, the total daily average usage for that year, and the average DAU. It also provides the total cooling degree hours and total heating degree days for 2003 and 2004. Well, why this is so important, Your Honor, is if you do a comparison --- let's just zoom in on 2003 and 2004.

What this is showing you is that with two less people in 2004, less cooling degree hours, because we had a mild summer that year, it's the company's contention that the family size didn't have any impact on the bill. We can't really say conservation had any impact on the bill. And we're also saying that for the cooling degree days to be that much less, as previously stated, we believe that they should have decreased the bill by a lot more than seven percent.

So it's the company's contention that the methodology that we used to re-bill initially was a fair way, a good way to re-bill. And that family size --- you can't definitely say that a decrease in family size would impact the bill. It's not apparent that conservation impacted the bill. And the weather, as I stated before, was much warmer --- much milder.

So the bottom line is that we believe that the

calculation we used to render that average bill during the period of 1998 to 2001 was a good way of calculating the results of the bill.

JUDGE:

Let's go off the record for a minute.

OFF RECORD DISCUSSION

JUDGE:

In a brief off-the-record discussion, we arrived at the following information. The old actual billed amount to the Taylor's was, in dollars, $7,449.01. Under the revised --- under PECO's revised computations presented today, the dollar amount which should have been billed for the period of time, that the meter was in dispute, is $7,346.31. And under the Commission's suggested methodology for the disputed period, the dollar amount is computed to be $7,060.46.

Now, let the record show that against all of these three dollar amounts, there should be credited the amount of money that the Complainants actually paid to PECO. And that amount was $2,037.71.

So subtracting that amount from the three $7,000 figures which were put on the record, the results are as follows. The actual billed amount giving rise to this case was $5,411.30. Under PECO's revised methodology, the actual balance should be ---

or is computed to be $5,308.60, and the dollar balance computed under the Commission's suggested methodology is $5,022.75.

Now, I'm going to ask the witness, did you hear those numbers that I put on the record?

A. Yes, I did, Your Honor.

JUDGE:

And were they correct, as far as you know?

A. Yes.

JUDGE:

All right. Next question? At least that's on the record. Now that it's easy to compare.

BY ATTORNEY SWERLING:

Q. If you could just recap what your conclusion is based on everything you testified to, how it affects the Taylor's re-billing and how we should deal with it?

A. Well, the company's conclusion is that based on the information which is actual data in the year 2004, that the Taylor's weren't conserving, the drop in the number of people from the 2003 period to the 2004 period from seven people to five people wasn't of impact either. And based on the amount of cooling degree days that the decrease --- the large percentage

of decrease from the cooling degree hours from 2003 to 2004, the bill should have been way more decreased, much more than seven percent. So our contention is that the original methodology that we did use was correct.

JUDGE:

Now, when you say original methodology ---?

A. Taking the 60 --- the two-month period for summer and winter.

JUDGE:

I want to ask you now, of the numbers that I put on the record. What does --- of the dollar amount, what is PECO contending is the correct amount due from the Taylor's?

A. Hold on, Your Honor.

JUDGE:

Okay. Giving them credit for the payments that they made.

A. It's the $5,308.60 figure.

JUDGE:

Okay. That's what PECO's position is now?

A. Yes.

JUDGE:

All right. That's what I wanted to know.

ATTORNEY SWERLING:

That's all the questions I have for this witness, Your Honor.

JUDGE:

All right. And I have one more question. You apparently are rejecting the Commission's suggestion, and is there a reason for that?

A. Well, what we're trying to show, Your Honor, is that family size, isn't always an impactor on the amount of kilowatt hours or usage that you use. Conservation isn't necessarily the impactor on the amount of kilowatt hours you use. And in this situation, in the Taylor's situation, when we took into consideration the heating degree days and the cooling degree hours, that wasn't an impactor either. So our thought is that taking family size, conservation and heating and cooling degree days into consideration when we do a re-billing, because of theft of service, it's not going to make that much difference on the revised bill.

JUDGE:

All right. Thank you. Counsel?

ATTORNEY SWERLING:

I have one more question.

BY ATTORNEY SWERLING:

Q. Are you basically saying that when PECO originally did their back billing equation, they actually did take into account things like conservation, weather and their conclusion was it doesn't affect the back billing?

A. Well, we did take into consideration actual usage for winter and summer. So yes, we took actual data for cooling and heating requirements. So absolutely, it didn't really make that much difference.

JUDGE:

Well, this difference between the original actual bill and this revised billing that you've done today, the little bit difference is based on some mathematical adjustment?

A. Yes.

JUDGE:

I think you testified to that before. Yes, I recall that. Anything else from the witness?

ATTORNEY SWERLING:

No. I would just ask to admit the remaining exhibits.

JUDGE:

All right. They were identified, authenticated, and they're received into evidence.

The witness is excused.

A. Thank you, Your Honor.

JUDGE:

Thank you very much for appearing and testifying. Let's go off the record.

OFF RECORD DISCUSSION

JUDGE:

At a brief off-the-record discussion, we have determined that the main brief in this case, will be filed on or before, December 15, 2006. Let's go off again --- I'm sorry.

OFF RECORD DISCUSSION

JUDGE:

Back on the record. Reply briefs, if necessary and if appropriate, to be filed on or before ---

ATTORNEY SWERLING:

Monday, January 15.

JUDGE:

--- January 15, 2007. All right.

Thank you very much for appearing, testifying, straightening everything out as far as the exhibits are concerned. The hearing is adjourned. Thanks a lot.

* * * * HEARING CONCLUDED AT 11:40 A.M. * * * *

C E R T I F I C A T E

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken stenographically 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.

Nina Brant

Court Reporter

PEO
EXHIBIT: 9

STEP 1: Determine the Daily Average Use over the sample Summer and Winter Re-Bill Period.

Daily Average Use (Winter):		
Meter Reading on 4/26/2002:	3054 KwH	*(2/25/02 to 4/26/02 is 60 days)
Meter Reading on 2/25/2002:	-1474 KwH	
Total Difference in usage:	1580 KwH	
Daily Average Use (Winter):	1580 KwH ÷ 60 days* = **26.3 DAU**	

Daily Average Use (Summer):		
Meter Reading on 8/27/2002:	8821 KwH	*(6/26/2002 to 8/27/2002 is 62 days)
Meter Reading on 6/26/2002:	-4975 KwH	
Total Difference in usage:	3846 KwH	
Daily Average Use (Summer):	3846 KwH ÷ 62 days* = **62 DAU**	

STEP 2: Multiply the Daily Average Use times the applicable Winter and Summer re-billing periods to get the Revised KWH Usage.

BILLING PERIOD	Number of days	Average Per Day	Summer/Winter	Revised KWH Usage
3/27/1998 - 5/27/1998	60	26.3	Winter	1,580
5/27/1998 - 9/25/1998	121	62	Summer	7,502
9/25/1999 - 5/26/1999	243	26.3	Winter	6,391
5/26/1999 - 9/27/1999	124	62	Summer	7,688
9/27/1999 - 5/25/2000	241	26.3	Winter	6,338
5/25/2000 -9/26/2000	124	62	Summer	7,688
9/26/2000 - 5/25/2001	241	26.3	Winter	6,338
5/25/2001 - 9/26/2001	124	62	Summer	7,688
9/26/2001 - 1/11/2002	107	26.3	Winter	2,814
TOTAL REVISED KWH USAGE				54,028

F-01482857
PHILA, 10/12/06

DOCUMENT FOLDER

PECO Exhibit 9

STEP 3: Subtract the Previously billed KWH Usage from the Revised KWH Usage to get the Total Re-billed KWH Usage.

Re-Billed KWH Usage:	Previously Billed KWH Usage	Revised KWH Usage	Actual KWH Usage (Difference)
3/27/1998 to 5/27/1998	688	1580	892
5/27/1998 to 9/25/1998	1354	7502	6148
9/25/1998 to 5/26/1999	2046	6391	4345
5/26/1999 to 9/27/1999	1664	7688	6024
9/27/1999 to 5/25/2000	2522	6338	3816
5/25/2000 to 9/26/2000	1594	7688	6094
9/26/2000 to 3/28/2001	1383	4813	3430
3/28/2001 to 5/25/2001	556	1525	969
5/25/2001 to 9/26/2001	1609	7688	6079
9/26/2001 to 1/11/2002	1070	2814	1744
TOTAL REBILLED KWH USAGE	14486	54027	39,541

STEP 4: Subtract the Previously billed Revenue from the Revised Revenue to get the total amount owed.

Re-Billed Revenue	Revised Revenue	Previously Billed Revenue	Difference
3/27/1998 to 5/27/1998	$ 216.39	$ 105.09	$ 111.30
5/27/1998 to 9/25/1998	$ 1,098.37	$ 197.10	$ 901.27
9/25/1998 to 5/26/1999	$ 841.25	$ 295.30	$ 545.95
5/26/1999 to 9/27/1999	$ 1,033.26	$ 219.56	$ 813.70
9/27/1999 to 5/25/2000	$ 801.60	$ 342.71	$ 458.89
5/25/2000 to 9/26/2000	$ 1,046.94	$ 212.96	$ 833.98
9/26/2000 to 3/28/2001	$ 624.37	$ 200.84	$ 423.53
3/28/2001 to 5/25/2001	$ 204.44	$ 81.65	$ 122.79
5/25/2001 to 9/26/2001	$ 1,102.42	$ 227.15	$ 875.27
9/26/2001 to 1/11/2002	$ 377.27	$ 155.35	$ 221.92
TOTAL REBILL OWED	$ 7,346.31	$ 2,037.71	$ 5,308.60

PECO

EXHIBIT #: 10

COMMISSION'S SUGGESTION OF USING 1 YEAR TO MEASURE USAGE:

STEP 1.
Determine Daily Average Use over the sample one year period.

Reading Date	Usage kwh	# of Days	DAU
02/25/2002	1474	45	32.7
03/27/2002	925	30	30.8
04/26/2002	655	30	21.8
05/28/2002	886	32	27.6
06/26/2002	1035	29	35.6
07/26/2002	1781	30	59.3
08/27/2002	2065	32	64.5
09/25/2002	1158	29	39.9
10/25/2002	879	30	29.3
11/25/2002	979	31	31.5
12/27/2002	1006	32	31.4
01/28/2003	1038	32	32.4
02/24/2003	856	27	31.7

PECO Exhibit # 10

STEP 2:
Multiply the DAU calculated over one year times the applicable re-billing periods to get the Revised KWH Usage.

Reading Date		# of Days		DAU		Revised KWH Usage
3/27/1998		29		30.8		893
4/28/1998		32		21.8		698
5/27/1998		29		27.6		800
6/25/1998		29		35.6		1032
7/27/1998		32		59.3		1898
8/25/1998		29		64.5		1871
9/25/1998		31		39.9		1237
10/27/1998		32		29.3		938
11/25/1998		29		31.5		914
12/29/1998		34		31.4		1068
1/28/1999		30		32.4		972
2/26/1998		29		32.7		948
3/26/1999		28		30.8		862
4/27/1999		32		21.8		698
5/26/1999		29		27.6		800
6/25/1999		30		35.6		1068
7/27/1999		32		59.3		1898
8/26/1999		30		64.5		1935
9/27/1999		32		39.9		1277
10/27/1999		30		29.3		879
11/23/1999		27		31.5		851
12/23/1999		30		31.4		942
1/27/2000		35		32.4		1134
2/25/2000		29		32.7		948
3/28/2000		32		30.8		986
4/27/2000		30		21.8		654
5/25/2000		28		27.6		773
6/26/2000		32		35.6		1139
7/26/2000		30		59.3		1779
8/26/2000		31		64.5		2000
9/26/2000		31		39.9		1237
10/26/2000		30		29.3		879
11/28/2000		33		31.5		1040
12/27/2000		29		31.4		911
1/26/2001		30		32.4		972
2/27/2001		32		32.7		1046
3/28/2001		29		30.8		893
4/27/2001		30		21.8		654
5/25/2001		28		27.6		773
6/26/2001		32		35.6		1139
7/27/2001		31		59.3		1838
8/28/2001		32		64.5		2064
9/26/2001		29		39.9		1157
10/26/2001		30		29.3		879
11/27/2001		32		31.5		1008
12/27/2001		30		31.4		942
TOTAL						52361

NOTE: The difference between the sample Winter/Summer approach (54,028 KWH) and the one year approach (52,361 KWH) is 1667 KWH difference or a 3% difference.

Subtract the Previously Billed KWH Usage from the Revised KWH Usage from the one year sample to get the Total Re-billed KWH Usage Owed.

52 361 - 14,486 = 37 875 KWH

NOTE: The difference between the sample Winter/Summer approach (39,541 KWH) and the one year approach (37,875 KWH) is 1667 KWH difference or a 3% difference.

STEP 3

Compare the Revenue Originally Billed by PECO with the Revised Revenue according to Commission's 1 Year sample period recomendation

Reading Date	# of Days	DAU	Revised kwh Usage	Revenue	
3/27/1998	29	30.8	893	$121.64	
4/28/1998	32	21.8	698	$96.19	
5/27/1998	29	27.6	800	$109.50	
6/25/1998	29	35.6	1032	$148.27	
7/27/1998	32	59.3	1898	$278.79	
8/25/1998	29	64.5	1871	$274.77	
9/25/1998	31	39.9	1237	$180.24	
10/27/1998	32	29.3	938	$128.68	
11/25/1998	29	31.5	914	$124.38	
12/29/1998	34	31.4	1068	$144.47	
1/28/1999	30	32.4	972	$131.95	
2/26/1998	29	32.7	948	$118.25	
3/26/1999	28	30.8	862	$108.02	
4/27/1999	32	21.8	698	$88.44	
5/26/1999	29	27.6	800	$100.56	
6/25/1999	30	35.6	1068	$142.06	
7/27/1999	32	59.3	1898	$255.04	
8/26/1999	30	64.5	1935	$260.08	
9/27/1999	32	39.9	1277	$170.51	
10/27/1999	30	29.3	879	$109.92	
11/23/1999	27	31.5	851	$105.90	
12/23/1999	30	31.4	942	$117.43	
1/27/2000	35	32.4	1134	$140.52	
2/25/2000	29	32.7	948	$119.61	
3/28/2000	32	30.8	986	$124.21	
4/27/2000	30	21.8	654	$84.11	
5/25/2000	28	27.6	773	$98.48	
6/26/2000	32	35.6	1139	$153.69	
7/26/2000	30	59.3	1779	$242.00	
8/26/2000	31	64.5	2000	$272.50	
9/26/2000	31	39.9	1237	$187.19	
10/26/2000	30	29.3	879	$111.28	
11/28/2000	33	31.5	1040	$130.73	
12/27/2000	29	31.4	911	$115.15	
1/26/2001	30	32.4	972	$122.52	
2/27/2001	32	32.7	1046	$139.51	
3/28/2001	29	30.8	893	$119.85	
4/27/2001	30	21.8	654	$89.14	
5/25/2001	28	27.6	773	$104.43	
6/26/2001	32	35.6	1139	$163.10	
7/27/2001	31	59.3	1838	$265.64	
8/28/2001	32	64.5	2064	$298.79	
9/26/2001	29	39.9	1157	$165.74	
10/26/2001	30	29.3	879	$118.05	
11/27/2001	32	31.5	1008	$134.03	
12/27/2001	30	31.4	942	$126.15	
1/28/2002	32	32.4	1037	$138.35	
TOTAL			52358	$7,060.46	

STEP 4:

Subtract the Previously Billed Revenue from the Revised Revenue calculated over the one year approach

$7,060.46 - $2,037.71 = $5,022.75

NOTE: The difference between the Revised Revenue from the sample Winter/Summer approach ($5,308.80) and the one year approach ($5,022.75) is $285.25 or a 5.7% difference.

							PROXY	
							PUC-Suggested 12 Month Period	
	1998 Heating Degree Days	1999 Heating Degree Days	2000 Heating Degree Days	2001 Heating Degree Days	2002 Heating Degree Days	Total Heating Avg over 4 yrs	(02/25/02-02/24/03) Heating Days	(Diff between ours and the 4 yr Avg
Januaray	736	908	1013	1000		914	1127	213
February	648	751	794	771		741	745	4
March	631	706	519	743		650	597	-53
April	294	351	379	330		339	292	-47
May	79	260	106	82		132	122	-10
June	0	0	0	0		0	0	0
July	0	0	0	0		0	0	0
August	0	0	0	0		0	0	0
September	11	21	68	50		38	0	-38
October	219	263	244	220		237	244	8
November	492	428	577	359		464	567	103
December	700	775	1035	657		792	915	123
TOTAL	3810	4463	4735	4212	0	4335	4609	304

HEATING

304/4609 =

6.6% Difference

							PUC-Suggested 12 Month Period	
	1998 Cooling Degree Days	1999 Cooling Degree Days	2000 Cooling Degree Days	2001 Cooling Degree Days		Total Cooling Avg over 4 yrs	(02/25/02-02/24/03) Cooling Days	(Diff between ours and the 4 yr Avg
Januaray	0	0	0	0		0		0
February	0	0	0	0		0	0	0
March	0	0	0	0		0	0	0
April	0	0	0	0		0	0	0
May	0	0	0	256		64	0	-64
June	1941	1810	2211	2348		2078	1952	-126
July	2880	5172	1709	1984		2936	4083	1147
August	3313	3333	2395	3693		3184	3920	737
September	0	1427	1189	754		843	1350	508
October	0	0	117	70		47	0	-47
	0	0	0	0		0	0	0
	0	0	0	0		0	0	0
	0	0	0	0		0	0	0
	0	0	0	0		0	0	0
	8134	11742	7621	9105		9151	11305	2155

COOLING

2154/11305 =

19.1% Difference

F-01482857
PHILA, 10/12/06

Page Exhibit 11
1 of 2

			PROXY	
			PUC-Suggested 12 Month Period	
2003	2004	Total Heating Avg	(02/25/02-02/24/03) Heating Days	Difference
1127	1197	1162	1127	35
941	851	896	745	151
652	618	635	597	38
396	336	366	292	74
164	51	108	122	-15
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	11	6	0	6
279	268	274	244	30
453	361	407	567	-160
859	827	843	915	-72
				0
4871	4520	4696	4609	87

HEATING
87/4696 =
1.9% Difference

			PUC-Suggested 12 Month Period	
2003	2004	Total Cooling Avg	(02/25/02-02/24/03) Cooling Days	Difference
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1881	1361	1621	1952	331
4066	2227	3147	4083	937
4079	2416	3248	3920	673
1115	0	558	1350	793
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
				0
11141	6004	8573	11305	2733

COOLING
2733/11305 =
24.2% Difference

PFCO Exhibit II
2 of 2

Heating Degree Days

A degree day is the difference between 65 degrees and the 24 hour average temperature, when it is under 65 degrees. Hourly temperature readings are recorded for a 24 hour period, and the average of these temperatures is established. This figure then is subtracted from 65. Thus if the average temperature is 45 degrees, there are 20 degree days for this date (65-45=20).

Cooling Degree Hours

For the summer cooling season (June through September), cooling requirements are measured in cooling degree hours rather than in degree days, as in heating. The principle is much the same, but more complicated. This is because moisture is a great factor in cooling needs, as well as the actual temperature. Humidity readings must be considered as well as temperature readings in obtaining the number of cooling degree hours.

#12

F-01482857
PHILA, 10/12/06

EXHIBIT 4:

Number of People in the Household on a Weighted Average

Bill Period Over 45 Months	Number of People in House
3/27/1998-5/27/1998	3
5/27/1998-9/25/1998	3
9/25/1998-5/26/1999	3
5/26/1999-9/27/1999	3
9/27/1999-5/25/2000	4
5/25/2000-9/26/2000	4
9/26/2000-5/25/2001	7
5/25/2001-9/26/2001	7
9/26/2001-1/11/2002	7

Bill Period	Number of People in House	Number of Months
3/27/1998-9/26/2000(Period 1)	3	30
9/26/2000-1/11/2002(Period 2)	7	15
TOTAL		**45**

Period 1 = 30 Months x 3 People = 90
Period 2 = 15 Months x 7 People = 105

105 + 90 = 195

195 ÷ 45 Months = **4.3 Average People Per Month**

Exhibit #13

	2001	2002	2003	2004
Family Size	7	7	7	5
January Use	230	163	1038	1169
DAU	7.6	10.8	32.4	36.5
February Use	222	1474	856	774
DAU	6.9	32.7	31.7	26.6
March Use	190	925	788	799
DAU	6.5	30.8	26.2	26.6
April Use	298	655	808	759
DAU	9.9	21.8	26.9	23.7
May Use	258	886	784	917
DAU	9.2	27.6	24.5	31.6
June	313	1035	873	976
DAU	9.7	35.6	29.1	32.5
July Use	439	1781	1422	1421
DAU	14.1	59.3	44.4	44.4
August Use	501	2065	1714	1344
DAU	15.6	64.5	59.1	44.8
September Use	356	1158	1382	1352
DAU	12.2	39.9	46.0	42.2
October Use	291	879	1110	745
DAU	9.7	29.3	34.6	24.8
November Use	309	979	859	748
DAU	9.6	31.5	30.6	26.7
December Use	307	1006	1151	1025
DAU	10.2	31.4	35.9	30.1
Total kWh	3714	13006	12785	12029
Total Cooling Degree Hours			11141	6004
Total Heating Degree Days			4871	4520

Taylor
25-181-16-317530

F-01482857
PHILA, 10/12/06

Exibit
#14