



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

IN REPLY PLEASE
REFER TO OUR FILE

April 27, 2017

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

Re:

Re: Petition of PECO Energy Company for Approval of its Default Service Program
(Customer Assistance Program Shopping Plan) (DSP II)
Docket No. P-2012-2283641

Petition of PECO Energy Company for Approval of Its Default Service
Plane for the Period from June 1, 2017 through May 31, 2019
Docket No. P-2016-2534980

Dear Secretary Chiavetta:

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

Copies are being served on all active parties of record as evidenced in the attached Certificate of Service. If you have any questions, please contact me at (717) 783-6151.

Sincerely,

Phillip C. Kirchner
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #313870

PCK/snc
Enclosure

cc: ALJ Angela T. Jones
Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for	:	
Approval of its Default Service Program	:	P-2012-2283641
(Customer Assistance Program Shopping Plan)	:	
(DSP II)	:	
	:	
Petition of PECO Energy Company for	:	
Approval of its Default Service Program for	:	
The Period from June 1, 2017	:	P-2016-2534980
Through May 31, 2021 (DSP IV)	:	

PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT

TO ADMINISTRATIVE LAW JUDGE ANGELA T. JONES:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement Prosecutor in this proceeding will be Phillip C. Kirchner. Contact information is as follows:

By mail: Phillip C. Kirchner, Esq.
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

By e-mail: phikirchne@pa.gov

By telephone: (717) 783-6151

By fax: (717) 772-2677

I. INTRODUCTION

By Order entered March 16, 2017, the Pennsylvania Public Utility Commission (PUC or Commission) directed the above-captioned dockets be consolidated and referred to the Office of Administrative Law Judge (OALJ) for further proceedings and a decision on the merits of PECO Energy Company's (PECO) 2016 Customer Assistance Program (CAP) rule change filing, the proposed CAP Standard Offer Program (SOP) and any issues pertaining CAP customers' shopping for electric service in PECO's service territory.

By order dated April 12, 2017, a Prehearing Conference is now scheduled for May 1, 2017, with Administrative Law Judge Angela T. Jones presiding. I&E now respectfully submits this prehearing conference memorandum in accordance with Judge Jones' order dated April 12, 2017.

II. ISSUES

I&E has identified the following issues in this proceeding:

- PECO's CAP shopping program generally
- Subsidization of imprudently incurred costs related to CAP shopping

I&E respectfully reserves the right to address issues raised in direct, rebuttal, or surrebuttal testimony or any other issues that become apparent at a later point in time.

III. WITNESSES

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

- Rachel Maurer, *Fixed Utility Financial Analyst*

The I&E witness may be contacted through the information listed above for undersigned prosecutor. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witness listed above.

IV. EVIDENCE

I&E expects to present any written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. SCHEDULE

I&E supports PECO's Motion to Hold Proceedings in Abeyance for the reasons outlined therein and to ensure ratepayer funds are utilized judiciously. In the alternative, I&E does not object to the schedule proposed by PECO in its prehearing memorandum.

VI. SERVICE OF DOCUMENTS AND DISCOVERY MODIFICATIONS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept electronic delivery of documents with a follow-up hard copy provided by regular first class mail. I&E supports the discovery modifications proposed by PECO in this proceeding and does not object to PECO's proposal to extend the purview of the Protective Order from its DSP IV proceeding to this matter.

VII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. If settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding

Respectfully Submitted,


Phillip C. Kirchner, Esq.
Prosecutor
PA Attorney I.D. # 313870

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265

Dated: April 27, 2017

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for :
Approval of its Default Service Program : Docket No. P-2012-2283641
(Customer Assistance Program Shopping :
Plan) (DSP II) :

Petition of PECO Energy Company :
for Approval of Its Default Service Plane : Docket No. P-2016-2534980
for the Period from June 1, 2017 :
through May 31, 2019 :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated April 27, 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

Craig Williams, Esquire
Romulo L. Diaz Jr., Esquire
PECO Energy Company
2301 Market Street / S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
(Representing PECO)

Thomas P Gadsden, Esquire
Kenneth M Kulak, Esquire
Brooke E. Mcglinn, Esquire
Morgan Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103
(Representing PECO)

Elizabeth Rose Triscari, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Christy M. Appleby, Esquire
Candis A. Tunilo, Esquire
Amy E. Hirakis, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Charles E. Thomas, III, Esquire
Thomas, Niesen & Thomas, LLC
212 Locust Street, Suite 600
Harrisburg, PA 17101
(Representing Noble Americas Energy Solutions LLC)

Charis Mincavage, Esquire
Adeolu A. Bakare, Esquire
Alessandra L. Hylander, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(Representing PAIEUG)

Patrick M. Cicero, Esquire
Elizabeth R. Marx, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Daniel Clearfield, Esquire
Sarah C. Stoner, Esquire
Deanne M. O'Dell, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
(Representing RESA & Direct Energy Services LLC)

Divesh Gupta Esquire
111 Market Place, Suite 500
Baltimore, MD 21202
(Representing Constellation Energy)

Scott H. Debroff, Esquire
Tucker Arensberg
One Oxford Centre
301 Grant Street, 14th Floor
Pittsburgh, PA 15219

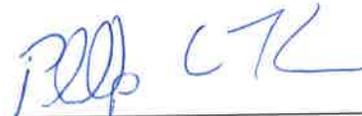
Jesse A. Dillon, Esquire
PPL EnergyPlus LLC
Two North Ninth Street
Office Of General Counsel Gent W4
Allentown, PA 18101

Robert W. Ballenger, Esquire
Josie B. H. Pickens, Esquire
1424 Chestnut Street
Philadelphia, PA 19102
(Representing Community Legal Services Inc.)

Todd S. Stewart, Esquire
Hawke Mckee & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101

Amy E. Hamilton, Director
Exelon Generation Company
300 Exelon Way
Kennett Square, PA 19348

Amy M. Klodowski, Esquire
FirstEnergy Corp
800 Cabin Hill Drive
Greensburg, PA 15601



Phillip C. Kirchner
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #313870