



An Exelon Company

Legal Department  
2301 Market Street / S23-1  
P.O. Box 8699  
Philadelphia, PA 19101-8699

Direct Dial: 215.841.6841

May 16, 2017

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Second Floor  
Harrisburg, PA 17120

**RE: Robin Callahan v. PECO Energy Company**  
**PUC Docket No.: C-2016-2535479**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is the *Reply Exceptions of PECO Energy Company*.

Very truly yours,

A handwritten signature in black ink, appearing to read "Shawane Lee", with a stylized, cursive script.

Shawane Lee  
Counsel for PECO Energy Company

cc: Certificate of Service

SL/ab  
Enclosure



## **REPLY EXCEPTIONS**

PECO Energy Company ("PECO Energy") hereby replies to the Exceptions filed by Robin Callahan ("Complainant") in the above-referenced matter on May 10, 2017. The Commission served PECO with the Exceptions on May 16, 2017.

On March 22, 2016, Complainant filed a formal complaint against PECO Energy. In her formal complaint, Complainant alleged incorrect charges. Respondent, PECO Energy filed an Answer on April 1, 2016, stating that Complainant's balance is correct. An in-person hearing was held before Administrative Law Judge Eranda Vero ("ALJ Vero") on August 30, 2016. At the hearing, the Complainant withdrew her incorrect balance claims and amended her complaint to request a payment agreement. ALJ Vero issued an Initial Decision on February 16, 2017, wherein she held *inter alia*:

After carefully reviewing the record in this matter, I find that the Complainant has failed to carry the burden of proving that she has experienced a decrease in income that satisfies the definition of a "change in income" pursuant to 66 Pa.C.S. §§1403 and 1405(d).

Complainant excepts to ALJ Vero's Initial Decision and states in her exceptions:

Although prior arrangements were not kept, I believe those arrangements were made prior to my bankruptcy discharge. I am in a new financial position after the discharge and was not granted a new payment arrangement by the commission post discharge.

The Commission should sustain the initial decision of ALJ Vero. Complainant does not allege that ALJ Vero made an error of law or abused her discretion in any manner. Instead, Complainant excepts to the decision issued by ALJ Vero because she believes that her bankruptcy discharged the debt associated with her defaulted Public Utility Commission ("PUC") agreements; and therefore, she should be entitled to another PUC issued agreement.

The record reflects that the Complainant defaulted on every payment agreement issued to her by PECO and the PUC. She is not entitled to another payment agreement. 66 Pa.C.S. § 1405(d) provides that absent a change in income or a significant change in circumstance, the Commission cannot grant a second or subsequent payment agreement, if the customer defaults on the first payment agreement.

In this case, the Complainant was issued four company payment agreements that defaulted. Tr. 15; PECO Exh.5. In addition, the Complainant had a previous PUC Level 2 payment agreement issued on July 31, 2007. Finding of Fact 9. The Complainant had a second PUC Level 3 agreement issued on August 20, 2008. Tr. 18. Both PUC agreements defaulted. Tr. 18-19. At the time of the hearing, the Complainant could not demonstrate a change from the household's Level 3 income. Indeed, the Complainant's testimony demonstrated that her income had increased to a Level 4 income with over \$104,000 annual income for four individuals in the household. Tr. 23-24. There has been no significant decrease in income since the Complainant received the two PUC payment agreements and there is nothing in the regulations that requires the Commission to issue a third agreement after the discharge of a balance through bankruptcy.

Second, the Complainant had no significant change in circumstance to warrant another payment agreement in place of her previously defaulted agreement. The Commission may not reinstate a payment agreement where the customer has defaulted except in limited circumstances.

66 Pa.C.S. § 1403, 1405(e). Section 1403 defines significant change in circumstance as:

**"Significant change in circumstance."** Any of the following criteria when verified by the public utility and experienced by customers with household income less than 300% of the Federal poverty level:

(1) The onset of a chronic or acute illness resulting in a significant loss in the customer's household income.

- (2) Catastrophic damage to the customer's residence resulting in a significant net cost to the customer's household.
- (3) Loss of the customer's residence.
- (4) Increase in the customer's number of dependents in the household.

In this case, the Complainant had not experienced “a significant loss in the [Complainant’s] household income.” Accordingly, there is no significant change in circumstance. The fact that Complainant has a discharged bankruptcy and the balances associated with the defaulted PUC agreements were discharged does not change the regulation.

As ALJ Vero correctly stated in her Initial Decision:

Ms. Callahan has already received two Commission-issued payment arrangements. She did not challenge Mr. Begley’s statements that the two Commission-issued payment arrangements were not kept, and that the balances involved were discharged through bankruptcy. She also admitted that her household income had increased from 2008 to 2016.

Robin Callahan v. PECO Energy Company, C-2016-2535479 (February 16, 2017).

In sum, since the previous payment agreements issued by the PUC, there has been no decrease in the Complainant’s household income or significant change in circumstance. Consequently, despite her bankruptcy, pursuant to 66 Pa.C.S. § 1405(d), the PUC has no jurisdiction to give the Complainant a payment agreement on her balance. ALJ Vero’s Initial Decision correctly applied the standard, by denying the Complainant a payment agreement pursuant to 66 Pa.C.S. § 1405(d). Accordingly, ALJ Vero’s decision, dismissing the Complainant’s formal complaint should be upheld.

**For the reasons set forth above, PECO respectfully requests that the Commission deny the Exceptions and issue an Order upholding the Initial Decision in its entirety.**

**Respectfully submitted,**



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**Shawane L. Lee  
Counsel for PECO Energy Company  
2301 Market Street, S23-1  
Philadelphia, PA 19103  
Direct Dial: 215.841.6841  
Fax: 215.568.3389**



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**ROBIN CALLAHAN  
COMPLAINANT**

**v.**

**PECO ENERGY COMPANY,**

**RESPONDENT**

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**Docket No. C-2016-2535479**

**CERTIFICATE OF SERVICE**

I, Shawane L. Lee, hereby certify that I have this day served a true copy of the foregoing Reply Exceptions upon the parties listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**Robin Callahan  
1937 Beech Lane  
Bensalem, PA 19020**

**Dated at Philadelphia, Pennsylvania, May 16, 2017**



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**Shawane L. Lee  
Counsel for PECO Energy Company  
2301 Market Street, S23-1  
P.O. Box 8699  
Philadelphia, PA 19101-8699  
Direct Dial: 215.841.6841;  
Fax: 215.568.3389**