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September 25, 2018

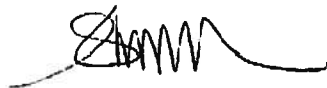
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
Harrisburg, PA 17120

RE: Glenn DeHaven v. PECO Energy Company
PUC Docket No.: C-2017-2585680

Dear Ms. Chiavetta:

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

Very truly yours,



Shawane Lee
Counsel for PECO Energy Company

SL/ab
Enclosure

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

GLENN DEHAVEN	:	
	:	
Complainant	:	
	:	
v.	:	Docket No. C-2017-2585680
	:	
PECO ENERGY COMPANY	:	
	:	
Respondent	:	

**EXCEPTIONS OF
OF PECO ENERGY COMPANY**

Pursuant to 52 Pa Code § 5.533, PECO Energy Company (“PECO”) hereby files its Exceptions to the Initial Decision (“I.D.”) of Administrative Law Judge Joel H. Cheskis issued on September 7, 2018, in the above-referenced matter and states the following:

I. Introduction

The Complainant in this proceeding, Glenn DeHaven, is a landlord who leased his rental property at 184 Hibernia Road, Coatesville, Pennsylvania to PECO customer, Jenny Munson. *Tr. 7-8.* Ms. Munson established electric service at Mr. DeHaven’s rental property on March 10, 2016. *Tr. 17-18.* When she established the service, she brought a \$1,602.80 unpaid balance with her from her prior address. *Tr. 19.* PECO connected the service in Ms. Munson’s name and transferred the former address debt into her new account at 184 Hibernia Road. *Tr. 19.* Ms. Munson made very few payments to her electric service account at Mr. DeHaven’s rental property. *Tr. 19-20; PECO Ex. 1.* When Ms. Munson made a payment, PECO applied the payment to the oldest debt on the account consistent with 52 Pa. Code § 56.24. *Tr. 19; Tr. 29.* For the 10-month billing period Ms. Munson resided at the address, she made 6 payments to her

account totaling \$986.69. *Tr. 20.* PECO applied those payments to Ms. Munson's \$1,602.80 former address balance in the "first in first out" manner set forth at §56.24. *Tr. 19.*

While residing at 184 Hibernia Road, Ms. Munson also incurred a new balance of \$1,893.52 for electric service provided to her during her 10-month residence at the new location. *Tr. 21; Tr. 23.* Because PECO applied all of Ms. Munson's payments to her older outstanding balance from her prior service address, \$0 were applied to offset the service provided to her at 184 Hibernia Road. *Tr. 19; Tr. 30; PECO Ex. 1.*

Ms. Munson contacted PECO and requested a high bill investigation at her rental. On January 4, 2017, PECO went to the property and confirmed there was foreign wiring. *Tr. 16; PECO Ex. 4.* Pursuant to 66 Pa.C.S.A. § 1529.1(b), PECO is required to place the balance found on Ms. Munson's account at the time the foreign wiring is found into an account established for Mr. DeHaven. PECO removed the \$1,893.52 in usage charges (accrued at 184 Hibernia Road) that remained unpaid on Ms. Munson's account and transferred this amount to an account established for Mr. DeHaven. *Tr. 21; Tr. 23; Tr. 29-30.*

The *DeHaven* I.D. holds that PECO improperly transferred "a past due balance owed by the tenants that was accrued at the tenants' prior service address and not the service address owned by" Mr. DeHaven. The I.D. holds that PECO must credit Mr. DeHaven \$1,602.80, which represents Ms. Munson's former address balance. As set forth below, PECO respectfully submits that the *DeHaven* I.D. is inconsistent with the provisions set forth in 52 Pa. Code § 56.24. PECO applied all payments made to the former address balance consistent with §56.24. Mr. DeHaven is not being held responsible for a former address balance. He is being held responsible only for electric usage charges incurred at his rental property, where foreign wiring was found, while Ms. Munson resided there. PECO therefore respectfully suggests that the

Commission should overturn the holding in the *DeHaven* I.D. that PECO improperly transferred a former address balance.

II. Argument

A. PECO properly applied Ms. Munson's payments to her former address balance in accordance with Chapter 56 regulations.

The *DeHaven* I.D. (pp. 10-11) states that PECO's procedure is unfair to Mr. DeHaven, stating that "to allow PECO to apply payments to the Ms. Munson's prior account while living at the service address, and then transfer that total amount to Mr. DeHaven when foreign load is found, would make Mr. DeHaven responsible for more of the amount remaining on Ms. Munson's bill at the time the foreign load was found." However, this is not what occurred here. Under 52 Pa. Code § 56.24, PECO is required to apply the payments made by Ms. Munson to the oldest arrearage that followed her from her prior service address – even though she was simultaneously accruing a new balance for service at 184 Hibernia Road. Section 56.24 states:

§ 56.24. Application of partial payments among several bills for public utility service.

In the absence of written instructions, a disputed bill or a payment agreement, payments received by a public utility which are insufficient to pay a balance due both for prior service and for service billed during the current billing period shall first be applied to the balance due for prior service.

During the hearing, PECO Regulatory Assessor, Ms. Leung testified that "usually when payments come in, payments are first applied towards the older balance." *Tr. 19*. Ms. Leung testified that since Ms. Munson "had a balance from a prior address, that itself would be considered the older balance." *Tr. 19*. Ms. Leung testified that Ms. Munson had a \$1,602.80

balance brought over to her new account when she established service at Mr. DeHaven's rental property. *Tr. 19.* Any payments, therefore, made on the existing account "would satisfy the \$1,602.80 that she had from the previous account." *Tr. 19.* This PECO practice of applying payments first to the older arrearage is consistent with 52 Pa. Code § 56.24, which requires the company to first apply the payments "to the balance due for prior service." *See 52 Pa. Code § 56.24.* Ms. Munson made a total of \$986.69 in payments to her account for the entire period she lived at Mr. DeHaven's rental property. *Tr. 20.* The payments she made did not satisfy the \$1,602.80 former address balance transferred over. Ms. Munson had a remaining unpaid balance from her former address balance, which she remained responsible to pay. *Tr. 24.*

Ms. Munson incurred \$1,893.52 in electric usage charges while she resided at Mr. DeHaven's rental property for the billing periods March 10, 2016 through January 4, 2017. *Tr. 21 – 23; PECO Ex. 1.* When PECO found foreign wiring at the premises, the company calculated only the electric usage charges incurred at Mr. DeHaven's rental property (which totaled \$1,893.52) and transferred that amount to an account established in Mr. DeHaven's name. *Tr. 23, Tr. 25, PECO Ex. 1.* Ms. Leung testified that none of the usage charges included charges from Ms. Munson's former address balance. *Tr. 23; Tr. 29.* Ms. Leung testified the amount transferred to Mr. DeHaven was "comprised of solely the electric service charges that were billed to Ms. Munson's account from March 10th, 2016 through January the 4th of 2017." *Tr. 30.* Consistent with 52 Pa. Code § 56.24, Ms. Leung testified "payments were received on the account, but those [payments] were not applied for the charges on [Ms. Munson's] current account, because she had an older arrearage on the account, which is where her payments were applied." *Tr. 30.* Administrative Law Judge Joel H. Cheskis asked Ms. Leung about the application of payments:

Judge: I'm looking at PECO Exhibit 1. And I'm looking at the second line. April 11th 2016 is the amount transferred from her prior account of \$1,602. And I think what you're saying is that was accrued by Ms. Munson at the prior service address where she lived?

Leung: Yes, that's correct.

Judge: Okay. So then all the payments that she's made that are listed on Exhibit 1 go to pay off that \$1,602 balance and not what she's accrued at the service address?

Leung: Yes, that is correct. Payments are applied first towards the older balances on the account.

Tr. 33.

Ms. Leung's testimony is consistent with 52 Pa. Code § 56.24, which requires PECO to apply payments to the older arrearage first. The *DeHaven* I.D. (p. 10-11) suggests that "Ms. Munson accrued \$1,602.80 at an address different than the service address" and then PECO applied "payments to her prior account that Ms. Munson made while living at the service address, and then transferred that total amount to Mr. De Haven when foreign load [was] found." The I.D. suggests that "the \$1,602.80 that accrued by Ms. Munson at her prior address and transferred to her new account at the service address should not be transferred to Mr. DeHaven's account." However, the I.D. does not take into account 52 Pa. Code § 56.24 which requires PECO to apply the payments Ms. Munson made to that older arrearage.

The *DeHaven* I.D. is erroneous because PECO did not transfer any portion of Ms. Munson's former address balance to Mr. DeHaven – those arrearages were almost satisfied with the \$986.69 payments Ms. Munson made. The only amount Mr. DeHaven is being held responsible for is the amount of electric usage charges Ms. Munson incurred at Mr. DeHaven's rental property where foreign wiring was found. Simply, *all of the charges billed to Mr. DeHaven are attributable to usage at his property during the period of foreign wiring.* PECO

respectfully requests that the Commission conclude that PECO properly applied Ms. Munson's payments pursuant to 52 Pa. Code § 56.24 and correctly transferred \$1,893.52 in electric usage charges consistent with the requirements set forth under 66 Pa.C.S.A. § 1529.1(b).

III. Conclusion

For the reasons stated above, PECO respectfully requests that the Commission issue an Order in this proceeding that:

1. The Complaint is denied in its entirety.
2. Mr. DeHaven is responsible for the \$1,893.52 transferred to him arising from service at his rental property during a period when a foreign wiring condition existed at his rental property.
3. The docket is closed.

Respectfully submitted,



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Counsel for PECO Energy Company

Dated: September 25, 2018

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

GLENN DEHAVEN	:	
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Complainant	:	
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v.	:	Docket No. C-2017-2585680
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PECO ENERGY COMPANY	:	
	:	
Respondent	:	

CERTIFICATE OF SERVICE

I, Shawane L. Lee, hereby certify that I have this day served a copy of PECO Energy Company's Exceptions to ALJ Joel H. Cheskis' Initial Decision in the above matter upon all interested parties by mailing a copy, properly addressed and postage prepaid to:

Deputy Chief Administrative Law Judge Joel H. Cheskis
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Glenn DeHaven
180 Hibernia Road
Coatesville, PA 19320

Dated at Philadelphia, Pennsylvania, September 25, 2018.



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