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May 13, 2021

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

Re: Tenant Union Representative Network
v.
PECO Energy Company
Docket No. C-2020-3021557

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Reply Exceptions in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

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Enclosures:
cc: The Honorable Mary D. Long **(email only)**
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Certificate of Service
*308566

CERTIFICATE OF SERVICE

Re:	Tenant Union Representative Network	:	
		:	
	v.	:	Docket No. C-2020-3021557
		:	
	PECO Energy Company	:	

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Reply Exceptions, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 13th day of May 2021.

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Dated: May 13, 2021
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Tenant Union Representative Network	:	
v.	:	Docket No. C-2020-3021557
PECO Energy Company	:	

REPLY EXCEPTIONS
OF THE
OFFICE OF CONSUMER ADVOCATE

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Dated: May 13, 2021

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I. INTRODUCTION

On April 13, 2021, the Office of Administrative Law Judge issued the Initial Decision (I.D.) of Administrative Law Judge (ALJ) Mary D. Long. In the I.D., ALJ Long denied the Tenant Union Representative Network's (TURN) Formal Complaint regarding whether PECO Energy Company (PECO) was required to change the energy burdens used to calculate its Fixed Credit Option (FCO) upon the issuance of the November 5, 2019 CAP Policy Statement Order at Docket No. M-2019-3012599. I.D. at 20-23. The ALJ correctly determined that PECO has substantially complied with its 2013-2015 Universal Service and Energy Conservation Plan at Docket No. M-2012-2290911 (2015 Settlement). I.D. at 20-23. Exceptions to the Recommended Decision were filed by TURN and the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA). The OCA submits these Reply Exceptions in response to portions of the TURN and CAUSE-PA Exceptions. The OCA has provided more complete discussions of these issues in its Main Brief and Reply Brief. See, OCA M.B. at 7-21; OCA R.B. at 3-9.

The OCA submits that ALJ Long correctly denied TURN's Formal Complaint in this matter and that her Initial Decision should be adopted by the Commission.

II. REPLY EXCEPTIONS

Reply to TURN Exception No. 1: The ALJ Correctly Concluded that the Settlement Does Not Require PECO to Automatically And Immediately Update its Energy Burdens. (I.D. 21; OCA M.B. at 9-11; OCA R.B. at 5-7; TURN Exc. at 6-11)

In its Exceptions, TURN argues that the ALJ erred in determining that the Settlement does not require PECO to automatically update its energy burdens. TURN Exc. at 6-8. The I.D. provided:

> First, as explained above, to the extent that the words of a contract are clear, it is not appropriate to consider matters extrinsic to the agreement to interpret the meaning of the words. TURN's interpretation of the words of the footnote is not a

> reasonable interpretation. In order for TURN's interpretation to be reasonable, the following words would have to be added to the footnote:
>
> > If the Commission changes the energy burden ranges set forth in its Policy Statement, ***immediately, upon entry of a final order of the Commission revising the Policy Statement***, PECO will utilize the new maximum allowable energy burden for each poverty level, ***without seeking further approval by the Commission.***
>
> Even if the interpretation advanced by TURN and CAUSE was reasonable, there is no persuasive extrinsic evidence which support's TURN's interpretation.

I.D. at 20.

The OCA submits that the ALJ correctly determined that TURN's interpretation of the 2015 Settlement reads additional language into the Settlement. TURN's interpretation does not consider footnote 3 within the full context of the Settlement nor does it recognize the Commission process for PECO to change its energy burdens. The Commission has made clear that any changes to the energy burdens must be approved by the Commission as set forth in the Final CAP Policy Statement Order. 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code § 69.261-267, Docket No. M-2019-3012599 (Nov. 5, 2019) (Final CAP Policy Statement Order).

TURN argues that footnote 3 is self-executing and cites to Core Communications in support of its argument. TURN Exc. at 8, citing Core Communications, Inc. v. Verizon Pennsylvania LLC, Docket No. C-2014-2406550, Order at 63 (Oct. 4, 2018). In support of its argument, TURN quotes the following Core Communications Order language:

> [i]n our view, the *2004 Compliance Order* constitutes an affirmative order of the Commission, which replaced the rates listed in the Pricing Appendix with new lower . . . rates, as contemplated in Footnote 1. We find that this underscores the self-executing nature of Footnote 1.

Id. at 63. The OCA submits that TURN's reliance upon Core Communications is misplaced. The Core Communications case is not applicable to this case because changes to the energy burdens

identified in the 2015 Settlement are not self-executing. See, OCA R.B. at 5. Unlike in Core Communications, the Commission has outlined a specific process for changing its energy burdens. PECO must follow the steps identified by the EAP Reconsideration Order for changing the energy burdens. 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261-267, Docket No. M-2019-3012599, EAP Reconsideration Order (Feb. 6, 2020)(EAP Reconsideration Order).

The OCA notes that factually, the Core Communications case also involves very different circumstances. The Core Communications case involved, among other issues, whether Core Communications was permitted to charge Verizon Pa. for tandem trunk ports, multiplexing, entrance facilities, and dedicated transport, whether the rates charged by Core Communications were incorrect, and "whether the TELRIC rates produced in the *2004 Verizon PA TELRIC Proceeding* supersede those that are set forth in the ICA's Pricing Appendix." Core Communications at 62. As the Core Communications case discusses, the Commission specifically directed Verizon PA "to file a tariff supplement implementing rates according to the schedules attached in the *2004 Compliance Order*, to be effective on sixty days' notice." Core Communications at 63-64. Here, there is no such similar directive from the Commission. Instead, the Commission identified a process in its Final CAP Policy Statement Order if a utility proposed to change its energy burdens.

In its Exceptions, TURN also argues that "additional phrases are not necessary to indicate that footnote 3 is self-executing and requires automatic implementation." TURN Exc. at 9-10. The OCA submits that the ALJ correctly determined that TURN's interpretation of footnote 3 was not reasonable. I.D. a 20. As OCA witness Colton testified and the OCA explained in its Main Briefs and Reply Briefs, the primary issue raised by the 2015 Settlement involved the overall design change of PECO's Customer Assistance Program (CAP) to a Fixed Credit Option program

design. OCA St. 1-R at 5; 2015 Settlement at Part A (2015 Settlement Term Sheet); OCA M.B. at 11; OCA R.B. a 5-6. The 2015 Settlement Term Sheet contained five parts. OCA M.B. at 11; OCA R.B. at 5-6; OCA St. 1-R at 5. The issue raised by the TURN Formal Complaint relates to just one of those parts, the CAP program design's fixed credit determination in Part A.1 of the 2015 Settlement Term Sheet. The other four inter-connected parts related to the treatment of customers who do not receive an annual credit (Part A.2); cost containment (Part A.3); cost recovery (Part A.4); and "External review of FCO program." (Part A.5). OCA St. 1-R at 5.

In particular, the Settlement provided that an evaluation of the FCO program must be completed after two years. TURN St. 1 at Exh. A, ¶ 5. The evaluation was completed, and it showed that the FCO program is not effective and is not achieving its purpose to provide greater affordability to CAP customers. OCA St. 1-R at 9. To address the results of the evaluation, PECO proposed to amend its Universal Service and Energy Conservation Plan to move to a new program, a PIPP, and use the new energy burdens in the Final CAP Policy Statement in the new PIPP. PECO St. 1-R at 15.

TURN also argues that the ALJ errs by not considering that other footnoted provisions of the Settlement that require a further filing explicitly state as much. TURN Exc. at 9-11. By virtue of the omission of further language, TURN argues that means footnote 3 is self-executing. The plain language of footnote 3 provides no basis to conclude that any change to the energy burdens must happen "immediately," without regard to the other provisions of the 2015 Settlement. The Settlement had many interconnected terms that must be considered together. The ALJ correctly understood the interconnected elements of the Settlement and provided in her I.D. that:

> Importantly, no language in Footnote 3 or discussion in the statements in support of the settlement signaled to the presiding administrative law judge or to the Commission that the adjustment to CAP bills was intended to be immediate and without further review by the Commission. The USECP process is complex.

> Although the plans have a set term, the reality is that the design of low-income programs is meant to be an ongoing process, where company filings frequently overlap as the Commission reviews plan proposals, analyzes the data, and solicits input from stakeholders to evaluate the effectiveness of a utility's proposed programs as well as the costs related to the programs that are borne by all of a utility's ratepayers. If any aspect of the program was meant to change "automatically" without further review by the Commission, such an important feature of the agreement should have been clearly set out in the 2015 Settlement so that it could be considered by the administrative law judge and the Commission. The importance of Commission review is highlighted here by Mark Kehl's testimony that updating the customer bill calculations to reflect the changed energy burdens approved by the Commission would cost nearly $9 million for the first few months of 2021.

I.D. at 21.

The ALJ correctly determined that PECO's approach was fully consistent with the Settlement and respects all of its terms. For the reasons set forth above, the Commission should deny TURN's Exception No. 1 and approve the ALJ's Initial Decision.

Reply to TURN Exception Nos. 2 and 3: The ALJ Appropriately Evaluated the Import of Footnote 3 in the Context of Settlement and the Cost-Effectiveness of Changing the Energy Burdens. (I.D. at 21-22; OCA M.B. at 11-18; OCA R.B. at 5-9; TURN Exc. at 11-18).

In its Exception Number 2, TURN argues that the ALJ "dismisses TURN's argument that footnote 3 was central to the CAP FCO Settlement by pointing out that it is a footnote and not in the main text." TURN Exc. at 11. In its Exception Number 3, TURN argues that the ALJ erred in failing to hold that footnote 3 was central to the design of the FCO. TURN Exc. at 13-18. The ALJ's I.D. provided:

> If an automatic adjustment was "central" to the terms of settlement, it should not have been relegated to the explanatory footnotes. Rather, its importance should have been signaled by including the mechanism in the main body of the settlement by including it with the detailed description of the calculation of a CAP customer's bill.

I.D. at 20 (footnote omitted). The OCA submits that the ALJ's I.D. appropriately evaluated footnote 3 in the full context of the Settlement and the Statements in Support, and correctly

concluded that there is no indication in the Settlement that the implementation of new energy burdens was self-executing, intended to be implemented immediately, or intended to be central to a multi-pronged Settlement.

In support of Exception Number 3, TURN cites to several provisions of the Settlement and Statements in Support that reference the energy burdens. TURN Exc. at 14-17. The OCA submits that the energy burdens were one component in the calculation of an otherwise complex new FCO design that was designed to achieve the objective of greater affordability.[1] The issue raised by the TURN Formal Complaint relates only to one component, the CAP program design's fixed credit determination. Importantly, TURN's argument ignores the importance of the evaluation of the FCO that was conducted after its second year of operation and found that the FCO was not achieving the purpose identified in the Settlement.

As the ALJ correctly recognized, in 2015, the FCO was an "experimental" program design for PECO. I.D. at 21-22. The purpose of the FCO was to improve the overall affordability for CAP customers. The Settlement, recognizing this was a new program, provided for the next steps to evaluate the effectiveness of the program after two years and to examine how the FCO functioned to achieve affordability. Pursuant to the Settlement, PECO completed the evaluation of the Fixed Credit Option, including the "impact of the FCO on affordability," and filed it with the Commission on June 28, 2019. OCA St. 1-R at 8.

[1] The Settlement contained five parts: (1) the "determination of credits" for the CAP discount (Part A.1); (2) the treatment of customers who do not receive an annual credit (Part A.2); (3) cost containment (Part A.3); (4) cost recovery (Part A.4); and (5) "External review of FCO program." (Part A.5). OCA St. 1-R at 5. The issue raised by the TURN Formal Complaint relates the CAP program design's fixed credit determination. Step 3 of the CAP program design defined how to "determine customer's allowable Energy Burden" and the energy burdens that should be applied. OCA St. 1-R at 5.

TURN's focus on implementing new energy burdens ignores the findings of the FCO Evaluation and the importance of the Evaluation in the overall Settlement. As OCA witness Colton testified, the PECO Evaluation found that:

> the FCO did not well-serve customers with income at or below 50% of Poverty Level in particular.

Energy Burdens Relative to PUC Target (50% of Poverty)
(2017 Enrollee Treatment Group) (Burden Above PUC Target)
(PECO Evaluation, at 128)

	Pre-	Post-
Electric only heating	96%	73%
Electric only baseload	99%	76%
Electric and gas (gas)	81%	70%
Electric and gas (electric)	99%	77%

> The PECO Evaluation further found not only that the extent to which the FCO failed to reduce bills for the lowest Poverty Level (i.e., below 50% of Poverty) to be at or below the PUC target level ***increased*** in 2018, but also that the dollar amount by which bills exceeded the PUC target was substantial.

Energy Burdens Relative to PUC Target (50% of Poverty)
(2018 All CAP Participants) (Burden Above PUC Target)
(PECO Evaluation, at 132)

	Percent Above PUC Target	$ Amount Above Target
Electric only heating	82%	$872
Electric only baseload	82%	$554
Electric and gas (electric)	82%	$560
Electric and gas (gas)	73%	$399

OCA St. 1-R at 8-9.

Unfortunately, the evaluation determined that the FCO did not achieve the objective of improving affordability. As OCA witness Colton concluded:

> Despite the fact that the FCO, at the time it was agreed to by Settlement, was believed to "hold promise" as a means to improve affordability, the Evaluation that was agreed upon as a means to demonstrate whether that "promise" was realized in reality found that, for the lowest income PECO CAP participants, the FCO did not reduce CAP bills to a level that would result in burdens at or below the PUC burdens. As a result, PECO was left with either continuing a program design knowing that from more than 70% (electric and gas—gas burdens) to more than 80% of its lowest income CAP participants would receive bills exceeding the PUC target, or developing modifications to its FCO program that would improve affordability.

OCA St. 1-R at 9.

TURN also ignores the implementation issues with changing its energy burdens. TURN seeks to replace one component of the FCO, but as Mr. Colton testified, in seeking to address the issues identified with the FCO, there are numerous considerations. TURN has not addressed these critical implementation issues with its proposal. OCA witness Colton explained that the first step to a new program design is to set the energy burdens to be achieved, but that is only the first step in designing a new program. In his Rebuttal Testimony, OCA witness Colton testified that:

> Even after deciding what burdens it will use for each Poverty Level range, PECO must decide how to structure its delivery of percentage of income benefits in light of the evaluation that found the FCO PIPP to be ineffective for customers at the lowest income levels. For PECO, this would ***not*** involve simply continuing what it has done in the past.

OCA St. 5 at 15.

Mr. Colton discussed that the first decision that must be made is "how, if at all, to replace the "Fixed Credit Option" (FCO) program design it previously adopted by the Settlement." OCA St. 1-R at 15. Mr. Colton elaborated:

> The bottom line for purposes here is this: determining the percentage of income burden to be used to define affordability is but the first step in the process of program design and implementation. There are multiple additional program design decisions to be made subsequent to deciding upon that percentage of income burden given that the evaluation required under the Settlement has found the FCO PIPP to be ineffective.

OCA St. 1-R at 15-16 (footnote omitted).

In its Final CAP Policy Statement Order, the Commission also stated in footnote 57 that "for utilities that do not have a PIP-based payment plan, system safeguards should be established to ensure the customer's calculated payment does not exceed the maximum energy burden." Final CAP Policy Statement Order at 31, fn. 57. OCA witness Colton testified as to the importance of this consideration in regard to PECO's FCO design:

> PECO does not now operate a straight PIPP (a fixed-payment PIPP), but rather operates an FCO (a fixed-credit PIPP). Accordingly, PECO's implementation of the revised energy burdens does not involve simply substituting one affordability burden for another. Rather, PECO's implementation, by the terms of the PUC Final Order, must involve a number of steps that "ensure the customer's calculated payment does not exceed the maximum energy burden." (Final Order, footnote 57). As I discuss above, PECO's evaluation demonstrates that, under its FCO, it cannot currently make such an assurance. Rather than simply substituting one affordability target for another, PECO must figure out how to revise its overall program design in order to make the assurance required by the PUC.

OCA St. 1-R at 16-17.

TURN has not addressed this element of the Final Policy Statement. The OCA submits that addressing the CAP Policy Statement involves more than changing the energy burdens. There are numerous other program design changes that must be considered in conjunction with changing the energy burdens.

TURN also argues that the ALJ fails to evaluate the additional $9 million cost of changing the energy burdens in the context of other language in the 2015 Settlement. TURN Exc. at 17-18. In particular, TURN references a $110 million cap on the costs of the program under the FCO, and that the $9 million cost of lowering the energy burdens would be under the cost cap for the Settlement. TURN Exc. at 18. The OCA submits that TURN misses the issue at hand and ignores the problems identified by the APPRISE Evaluation. The purpose of the FCO design was to improve affordability, and lowering the energy burdens would not achieve that objective. OCA

M.B. at 14-18; OCA R.B. at 7-9. OCA witness Colton, however, explained the continuing unaffordability is not a function of the target energy burdens, but instead a function of the underlying CAP program design. OCA St. 1-R at 10. The OCA submits that the ALJ appropriately recognized that those dollars would be more cost-effectively directed towards PECO's new proposed PIPP design.

For the reasons set forth above, the Commission should deny TURN's Exception Nos. 2 and 3 and approve the ALJ's Initial Decision.

Reply to TURN Exception No. 4: The ALJ Correctly Understood that PECO's Filings to Implement a New CAP Design and to Utilize the CAP Policy Statement Must be Considered as a Factor. (I.D. at 21-23; OCA M.B. at 14-18; OCA R.B. at 8-9; TURN Exc. at 18-20).

In its Exceptions, TURN argues that PECO's filings to implement a new CAP design and to utilize the CAP Policy Statement energy burdens are irrelevant to PECO's obligations under the 2015 Settlement. TURN Exc. at 18-20. The ALJ appropriately reviewed the totality of the circumstances in her I.D. See, I.D. at 21. PECO's obligation under the law to submit any changes to its USECP to the Commission for approval is relevant to evaluating TURN's Formal Complaint.[2] The OCA submits the filings to implement a new CAP design are a direct result of the requirements of the 2015 Settlement, and PECO's filing to utilize the CAP Policy Statement energy burdens follows the requirements of the Commission's Final CAP Policy Statement Order and EAP Reconsideration Order.

PECO's filing to implement a new CAP design implements an important interrelated provision of the 2015 Settlement. As discussed in response to TURN Exception Number 3, the APPRISE Evaluation revealed that the FCO design that was approved as a part of the 2015

[2] Under the Sections 54.74 and 62.4 of the Commission's regulations, PECO is required to file its Universal Service and Energy Conservation Plans for approval of the Commission. 52 Pa. Code §§ 54.74, 62.4. The Commission issues a Final Order on the Plan. Id. Any requested modification of the Plan approved by the Commission's Final Order would require further Commission action.

Settlement did not result in affordable rates for CAP customers which was the objective of the Settlement and the FCO design. See also, OCA M.B. at 14-18; OCA R.B. at 9. As the FCO Evaluation done pursuant to the 2015 Settlement showed, simply changing the energy burdens will not improve the affordability for customers in the program. See, OCA St. 1-R at 8-9; PECO St. 1-R at 15. Changing the energy burdens will only increase the costs of the program without providing a corresponding benefit to affordability. The OCA submits that those dollars would be more cost-effectively directed towards PECO's new proposed PIPP design. The OCA submits that looking at the evaluation provision of the Settlement (Paragraph 5) and footnote 3 together, PECO properly concluded that the way to implement the CAP Policy Statement was to transition its program to a PIPP and include the new energy burdens in the PIPP.

Any change to PECO's current USECP must also be approved by the Commission. As described above, the Commission set forth a process for implementing the new energy burdens under the Final CAP Policy Statement. As PECO witness Kehl testified, under the intervening Commission's Final CAP Policy Statement Order, PECO is required to submit a filing to the Commission in order to revise its energy burdens. PECO St. 1-R at 14-15. PECO has also always been under the obligation to file any amendments to the universal service plans for Commission review and approval, and the ALJ appropriately evaluated that obligation in her decision.

For the reasons set forth above, the Commission should deny TURN's Exception No. 4 and approve the ALJ's Initial Decision.

Reply to CAUSE-PA Exception No. 1: The ALJ Correctly Determined that the Settlement did not Require PECO to Immediately Change its Energy Burdens. (I.D. at 21-23; OCA M.B. at 7-21; OCA R.B. at 3-9; CAUSE-PA Exc. at 6-18).

In its Exceptions, CAUSE-PA argues that the ALJ erred in not finding that the language of footnote 3 required PECO to change its energy burdens for three reasons. CAUSE-PA Exc. at 6-

18. First, CAUSE-PA argues that the language of the Settlement was clear on its face. CAUSE-PA Exc. at 6-9. Second, CAUSE-PA argues that further Commission approval was not necessary to implement the changes to the energy burdens. CAUSE-PA Exc. at 9-13. Third, CAUSE-PA argues that PECO had an obligation to change the energy burden standards in line with the Commission's Final CAP Policy Statement. CAUSE-PA Exc. at 13-18. The OCA submits that the ALJ correctly determined that the Settlement did not require PECO to immediately change its energy burdens. The OCA notes that it has addressed many of these arguments above in response to the TURN Exceptions, and the OCA will not repeat the arguments in full here.

CAUSE-PA argues that the language of the Settlement was clear on its face, and the parties have admitted to the clear language of the provision. CAUSE-PA Exc. at 6-9. As the OCA discussed in response to TURN Exception Numbers 1 and 2, footnote 3 must be evaluated in the full context of the Settlement. The plain language of footnote 3 provides no basis to conclude that any change to the energy burdens must happen "immediately," without regard to the other provisions of the 2015 Settlement. The Settlement had many interconnected terms, including a requirement for an evaluation that must be considered together. The ALJ correctly understood the interconnected elements of the Settlement and correctly determined that in viewing the totality of the Settlement, PECO has substantially complied with the Settlement. R.D. at 21.

CAUSE-PA also argues that further Commission approval was not necessary to implement the changes to the energy burdens. CAUSE-PA Exc. at 9-13. The Commission, however, specifically identified in the OCA Reconsideration Order that the energy burdens are to be addressed in USECP proceedings. See, OCA R.B. at 6-8. The Commission provided:

> We remind stakeholders that the maximum energy burden percentages in the Annex to the November 5 Order are recommendations, not iron-clad limits on what a utility can charge a CAP household. Issues related to a specific utility's energy burdens are still subject to scrutiny in that utility's USECP proceedings.

2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261-267, Docket No. M-2019-3012599, OCA Reconsideration Order at 11 (Feb. 6, 2020)(OCA Reconsideration Order).

Moreover, the OCA submits that CAUSE-PA's interpretation ignores the procedures set forth for the Final CAP Policy Statement. On February 6, 2020, the Commission addressed the Petitions for Reconsideration filed by the OCA and EAP through a subsequent Order. The Commission's Final CAP Policy Statement Order stated that the Final CAP Policy Statement would not be effective until it was published in the *Pennsylvania Bulletin* which occurred on March 21, 2020. Final CAP Policy Statement Order at 100. In the EAP Reconsideration Order, the Commission provided that utilities that wanted to change their Universal Service and Energy Conservation Plan pursuant to the amendments to the CAP Policy Statement should file with the Commission any proposed changes, including energy burden changes. EAP Reconsideration Order at 11-12. The Commission provided that utilities that wanted to change their existing Plan should file a Petition and Addendum and utilities with a pending Plan should file an Addendum to reflect the proposed changes. EAP Reconsideration Order at 12. The Commission sought to have implementation of the changes by January 1, 2021. Id.

CAUSE-PA also argues that the costs to comply with the Settlement are not relevant. CAUSE-PA Exc. at 12. The OCA submits that the costs of changes to the energy burdens are relevant and critical to evaluation of whether they should be changed as a part of this proceeding. See, OCA R.B. at 7-8. The ALJ recognized the import of the review and the potential costs. I.D. at 21. The ALJ cited to PECO witness Kehl's estimates that if the FCO was simply amended to include the new energy burdens, the cost of the proposed changes to the "EB proposal for the first few months of 2021 would be approximately $9 million." I.D. at 21; PECO St. 1-R at 13. As OCA

witness Colton testified, that expenditure would not improve affordability for customers or make the program more effective. See, OCA St. 1-R at 9-10. Mr. Colton testified that even if PECO were to reduce the energy burdens, the percentage of customers with unaffordable bills and the dollar amount by which they exceeded the energy burdens would not change. OCA St. 1-R at 9-10. As OCA witness Colton explained the continuing unaffordability is not a function of the target energy burdens, but instead a function of the underlying CAP program design. OCA St. 1-R at 10. Instead, PECO's pending proposal to change the program design and incorporate the new energy burdens addresses the issues identified by the evaluation required by the Settlement.

Finally, CAUSE-PA argues that the ALJ erred by not concluding that the changes to the energy burdens were "central" to the Settlement. CAUSE-PA Exc. at 13-18. The OCA notes that CAUSE-PA's argument is substantially similar to TURN's Exception Number 1. See, TURN Exc. 11-13. As the OCA discussed above in response to TURN Exception Number 1, the ALJ's I.D. appropriately evaluated footnote 3 in the full context of the Settlement. The ALJ provided:

> If any aspect of the program was meant to change "automatically" without further review by the Commission, such an important feature of the agreement should have been clearly set out in the 2015 Settlement so that it could be considered by the administrative law judge and the Commission.

I.D. at 21. In evaluating the Settlement and the Statements in Support, the ALJ correctly concluded that there is no indication in the Settlement that the implementation of new energy burdens was self-executing or intended to be immediate. See, I.D. at 20-21.

For the reasons set forth above, the Commission should deny CAUSE-PA's Exception No. 1 and approve the ALJ's Initial Decision.

Reply to CAUSE-PA Exception No. 3: The ALJ Appropriately Considered the Impacts of the APPRISE Evaluation. (I.D. at 9-11, 20-23; OCA R.B. at 8-9; CAUSE-PA Exc. at 25-29).

In its Exceptions, CAUSE-PA argues that the I.D. erred by failing to find the energy affordability benefits of decreasing the energy burdens. CAUSE-PA Exc. at 25-29. The ALJ appropriately reviewed the findings of the APPRISE Evaluation and adopted the Findings of Fact that showed that simply changing the energy burdens will not improve the affordability for customers in the program. See, I.D. at FOF 25,-27, 33-34, 40-42; see also, OCA St. 1-R at 8-9; PECO St. 1-R at 15. Changing the energy burdens will only increase the costs of the program without providing a corresponding benefit to affordability. The OCA submits that as the OCA discussed in its Reply Brief, those dollars would be more cost-effectively directed towards PECO's new proposed PIPP design. See, OCA R.B. at 9. The OCA submits that looking at the evaluation provision of the Settlement (Paragraph 5) and footnote 3 together, PECO properly concluded that the way to implement the CAP Policy Statement was to transition its program to a PIPP and include the new energy burdens in the PIPP. For the reasons set forth above, the Commission should deny CAUSE-PA's Exception No. 3 and approve the ALJ's Initial Decision.

III. CONCLUSION

For the reasons set forth above and in its Main Brief and Reply Brief, the Office of Consumer Advocate respectfully requests that the Public Utility Commission deny the Exceptions of TURN and CAUSE-PA as set forth above.

Respectfully Submitted,

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