



VIA EFILE

May 3, 2018

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

Re: Pa. PUC v. PECO Energy Co., Electric Division, Docket No. R-2018-3000164

Dear Secretary Chiavetta,

Enclosed, please find the *Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)* in the above referenced matter. Copies are being served as indicated in the attached Certificate of Service.

Respectfully,

Elizabeth Marx
Counsel for CAUSE-PA

Enclosures

CC: Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
:
v. : **Docket No. R-2018-3000164**
:
PECO Energy Company – :
Electric Division :

**PREHEARING MEMORANDUM
OF THE COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA**

PENNSYLVANIA UTILITY LAW PROJECT
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May 3, 2018

I. Introduction

On April 20, 2018, a Prehearing Conference Order was issued by Administrative Law Judges Christopher P. Pell and F. Joseph Brady, setting a prehearing conference for Tuesday, May 8, 2018, at 9:30 am, and requiring parties to file a prehearing memorandum no later than noon on Friday, May 4, 2018. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum.

II. History of the Proceeding

On March 29, 2018, PECO Energy Company (“PECO”) submitted a rate filing, Tariff Electric – Pa. PUC No. 6 (“Tariff No. 6”), which proposes to increase its distribution revenue by approximately \$82 million, or 2.2% above existing Distribution revenues. For residential customers, PECO proposes to increase revenue by \$44.9 million per year for Rate R Residential Service and by \$12 million for Rate RH Residential Heating Service.

On April 19, 2018, the Commission entered an Order suspending the PECO tariff by operation of law. The Order opened an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein, and further noted that “consideration should be given to the reasonableness of the PECO, existing rates, rules, and regulations.” (S&I Order at 2).

On April 10, 2018, CAUSE-PA filed a Petition to Intervene.

III. Issues to be Addressed

In addition to complying with sound rate making principles, including the requirement that rates be just and reasonable, PECO must also ensure that its rates and tariff comply with the billing, collections, and termination standards contained in Chapters 14 and 56 of the Public

Utility Code and the universal service requirements contained in the Electric Generation Customer Choice and Competition Act and Chapters 58 and 69 of the Public Utility Code. See 66 Pa. C.S. Ch. 14; 52 Pa. Code Ch. 56, 58, 69; 66 Pa. C.S. § 2804(9).

In the event that the Commission approves any distribution rate increase, it should condition approval on PECO's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and prior approved settlement agreements.

Counsel for CAUSE-PA has preliminarily reviewed PECO's rate filing, and generally objects to PECO's request for increase on the grounds that the proposed rate increase could result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers and consumers, including those enrolled in the Companies' Customer Assistance Program (CAP).

While CAUSE-PA is still formulating its positions on all of the issues presented, it is concerned about the effect that the proposed rate increase will have on the affordability of service for economically vulnerable households within PECO's service territory, and has tentatively identified the following issues presented by the filing which affect its members:

- i. The financial impact of PECO's proposed distribution rate increase on the residential customer class, particularly low income households;
- ii. The effect of PECO's proposed 48% increase to the residential customer charge from \$8.45 to \$12.50 per month on consumers with low or moderate income, and the impact such an increase may have on the ability of consumers to mitigate the impact of the rate increase through conservation and energy efficiency;
- iii. The effect of PECO's rate design and proposed rate increase on low income households enrolled in PECO's current Universal Service Programs, particularly the Customer Assistance Program; and

- iv. The continued ability of PECO's universal service programs to sufficiently offset the impact of a rate increase and produce an affordable bill for all residential customers.

CAUSE-PA asserts that these matters must be thoroughly reviewed through discovery and a hearing to ensure that the Company's low-income customers are sufficiently protected from the harm caused by any rate increase and that any rate increase is in the public interest. CAUSE-PA anticipates that additional issues may arise as a more comprehensive review of the Company's filing is undertaken, discovery is conducted, and other parties present evidence and testimony. CAUSE-PA reserves the right to present evidence on any of the other issues contained in PECO's filing but not specifically identified above, as well as issues raised by other parties.

IV. Witnesses

CAUSE-PA intends to present the following witnesses to testify in this matter, but reserves the right to call additional or substitute witnesses as may be warranted upon proper notice to Your Honor and the parties:

Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
Mitchmiller77@hotmail.com

Mr. Miller will address the issues identified above, as well as other issues that may arise through the course of this proceeding.

V. Discovery

CAUSE-PA supports the standard discovery modifications proposed by the Office of Consumer Advocate (OCA).

VI. Settlement

CAUSE-PA will work with any and all of the other parties in this proceeding to attempt to come to a full or partial settlement of the litigated issues.

VII. Service on CAUSE-PA

Service on CAUSE-PA may be made on its attorneys at the Pennsylvania Utility Law Project as follows:

Patrick M. Cicero, Esq.
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We request that parties serve one hard copy in addition to an electronic copy of all documents served in this proceeding.

VIII. Litigation Schedule

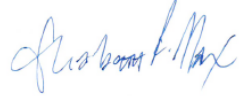
CAUSE-PA has been engaged in discussions with the other parties in an attempt to reach an agreement on a litigation schedule. At the time of this filing, the parties have not reached consensus; however, we continue to work in good faith with the parties to reach a solution.

IX. Conclusion

CAUSE-PA respectfully requests that its Prehearing Memorandum be entered into the record of this proceeding.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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Date: May 3, 2018

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. R-2018-3000164
PECO Energy Company – :
Electric Division :

Certificate of Service

I hereby certify that I have this day served copies of the Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

VIA First Class Mail and Email

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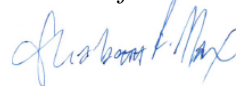
May 3, 2018

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