

**PECO ENERGY COMPANY
STATEMENT NO. 3**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF PECO ENERGY COMPANY
FOR APPROVAL OF ITS
DEFAULT SERVICE PROGRAM
FOR THE PERIOD FROM
JUNE 1, 2021 THROUGH MAY 31, 2025

DOCKET NO. P-2020-_____

DIRECT TESTIMONY

WITNESS: CAROL REILLY

SUBJECTS: CUSTOMER ASSISTANCE PROGRAM
SHOPPING PLAN AND RETAIL MARKET
ENHANCEMENTS

DATED: MARCH 13, 2020

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**DIRECT TESTIMONY
OF
CAROL REILLY**

4
I. INTRODUCTION AND PURPOSE

5 **1. Q. Please state your full name and business address.**

6 A. My name is Carol Reilly. My business address is PECO Energy Company, 2301
7 Market Street, Philadelphia, Pennsylvania 19103.

8 **2. Q. By whom are you employed and in what capacity?**

9 A. I am employed by PECO Energy Company (“PECO” or the “Company”) as
10 Manager of Energy Acquisition Operations. In that capacity, I am responsible for
11 the administration of PECO’s retail electric generation supplier (“EGS”) and
12 natural gas supplier coordination functions as they relate to electric and natural
13 gas choice. I have been performing these functions since 2007.

14 **3. Q. Please describe your educational background and professional experience.**

15 A. I earned a Bachelor of Science in Electrical Engineering from Widener University
16 in 1992.

17 I have been employed by PECO and/or Exelon Corporation since 1997. Over that
18 period, I have held engineering, analytical, and management positions in the areas
19 of generation and transmission planning, in addition to my current responsibilities
20 described above.

1 Prior to joining PECO, I was employed by Delmarva Power & Light Company
2 from 1992 to 1997, where I held positions in the PJM Interconnection and Gas
3 Planning departments.

4 **4. Q. What is the purpose of your direct testimony?**

5 A. The purpose of my direct testimony is twofold. First, I will describe PECO’s plan
6 (“Plan”) to facilitate shopping for electric generation supply by PECO customers
7 enrolled in the Company’s Customer Assistance Program (“CAP”). PECO
8 developed its Plan in compliance with the guidelines set forth in the Policy
9 Statement on Electric Customer Assistance Program Participant Shopping
10 proposed by the Pennsylvania Public Utility Commission (“Commission” or
11 “PUC”) on February 28, 2019.¹ Second, I will discuss continuation of PECO’s
12 EGS Standard Offer Program (“Standard Offer Program” or “SOP”) as a retail
13 market enhancement during PECO’s fifth default service program (“DSP V”).

14 **5. Q. How is your testimony organized?**

15 A. I will first explain the design of PECO’s Plan, including (i) provisions for EGS
16 offers to CAP customers for competitive generation supply; (ii) EGS billing for
17 CAP customers; (iii) the CAP customer enrollment process; and (iv) CAP
18 customer education initiatives. I will also outline proposed revisions to PECO’s
19 EGS Coordination Tariff (“Supplier Tariff”) necessary to implement the Plan.
20 Finally, I will describe PECO’s proposal to continue the SOP, without
21 modification, during the DSP V term.

¹ *Electric Distribution Company Default Service Plans – Customer Assistance Program Shopping*, Docket No. M-2018-3006578 (Proposed Policy Statement Order entered Feb. 28, 2019) (“Proposed Policy Statement Order”).

1 **6. Q. Have you prepared any exhibits to accompany your testimony?**

2 A. Yes. PECO Exhibits CR-1 to CR-4 were prepared at my direction and under my
3 supervision and are described in detail in my testimony.

4 **II. DESIGN OF PECO’S CUSTOMER ASSISTANCE PROGRAM SHOPPING PLAN**

5 **7. Q. Ms. Reilly, please describe PECO’s current CAP program for electric**
6 **customers.**

7 A. In accordance with the universal service obligations set forth in the Public Utility
8 Code, PECO’s CAP assists low-income customers in PECO’s service territory
9 through discounted energy bills. PECO’s CAP is a special rate rider for
10 customers with an annual household gross income level at or below 150% of the
11 poverty level as established by federal law. Approximately 111,000 residential
12 customers in PECO’s service territory – almost 7% of all PECO residential
13 electric customers – participate in CAP.

14 In October 2016, PECO transitioned from a tiered rate discount CAP structure to
15 a new Fixed Credit Option (“FCO”) design. Under this approach, CAP customers
16 receive a fixed bill credit each year for the utility service they receive based on
17 the income of the customer’s household, the number of residents in the household
18 and the utility usage of the household in the prior year. The CAP credit is
19 designed to help ensure that the energy “burden” – the cost of electricity in
20 proportion to household income – is affordable for CAP customers based on
21 poverty level. PECO calculates the CAP credit amount by taking the sum of the
22 CAP customer’s actual undiscounted bills over the last twelve months (“Base

1 Charges”) and subtracting the reduced CAP bill amount based on ability to pay
2 (“CAP Payment”). The CAP customer’s maximum household payment
3 contribution for total electric home energy is calculated as a percentage of income
4 (ranging from 3% to 17%) and converted to a percentage of the annual bill (the
5 “Allowable Energy Burden”). For each CAP customer, the CAP Payment is
6 determined by multiplying the Base Charges by the Allowable Energy Burden.

7 A portion of the dollar amount of the aggregate bill credits provided to CAP
8 customers each year is recovered through base rates, and any shortfall is
9 recovered from all residential customers through PECO’s Universal Service Fund
10 Charge (“USFC”).

11 **8. Q. Are PECO CAP customers now able to shop for electric generation supply?**

12 A. No. However, in accordance with the Commission’s direction in its Proposed
13 Policy Statement Order, PECO has developed the Plan to facilitate shopping by
14 CAP customers during DSP V.

15 **9. Q. Please describe the Commission’s guidance, which the Company used in
16 designing its Plan to facilitate shopping by PECO CAP customers.**

17 A. In the Proposed Policy Statement Order, the Commission outlined uniform CAP
18 shopping policies and requirements for Pennsylvania electric distribution
19 companies (“EDCs”). The CAP shopping requirements include (1) a CAP
20 shopping product rate at or below the EDC’s Price-to-Compare (“PTC”) for the
21 duration of the contract; (2) a prohibition in EGS-CAP customer contracts against
22 fees unrelated to the provision of electric generation service, including early

1 termination and cancellation fees; and (3) the following options for CAP
2 customers upon expiration of the current contract period: enter into another
3 contract with their existing EGS with the same CAP protections, switch to another
4 supplier offering a contract with the same CAP protections, or return to default
5 service.²

6 By Secretarial Letter on January 23, 2020, the PUC acknowledged that its
7 proposed CAP shopping policy statement was “unlikely to be final and effective
8 in time for some upcoming DSP proceedings.”³ The Commission therefore
9 directed all EDCs to consider the Commission’s prior guidance in the Proposed
10 Policy Statement Order and recent decisions in previous default service
11 proceedings in developing CAP proposals for upcoming DSP filings.⁴

12 **10. Q. Is PECO’s Plan consistent with the guidelines provided in the Proposed**
13 **Policy Statement Order?**

14 A. Yes. Under PECO’s Plan, EGSs must charge CAP customers a rate for
15 generation service that is at or below the PECO residential PTC at all times during
16 the contract. Consistent with the Proposed Policy Statement Order, this limitation

² Proposed Policy Statement Order, pp. 5, 9-10.

³ *Investigation into Default Service and PJM Interconnection, LLC Settlement Reforms*, Docket No. M-2019-3007101 (Secretarial Letter issued Jan. 23, 2020) (“January 2020 Secretarial Letter”).

⁴ *See Petition of PPL Elec. Utils. Corp. for Approval of a Default Serv. Program for the Period June 1, 2017 through May 31, 2021*, Docket No. P-2016-2526627 (Opinion and Order entered Oct. 27, 2016), *aff’d by, Retail Energy Supply Ass’n v. Pa. Pub. Util. Comm’n*, 185 A.2d 1206 (Pa. Cmwlth. Ct. 2018); *Petition of Metropolitan Edison Co., Pennsylvania Electric Co., Pennsylvania Power Co., West Penn Power Co. for Approval of a Default Serv. Program for the Period Beginning June 1, 2019 through May 31, 2023*, Docket Nos. P-2017-2637855, P-2017-2637857, P-2017-2637858, and P-2017-26378566 (Opinion and Order entered Sept. 4, 2018) (“September 2018 Order”), pp. 58-59. On February 28, 2019, the Commission entered a Final Order (“FirstEnergy DSP V Order”) adopting rules and procedures for the CAP shopping program approved in the September 2018 Order and revising the EDCs’ standard offer customer referral program scripts.

1 on rates is intended to promote shopping and access to the competitive market for
2 CAP customers without undermining the affordability of utility service for those
3 customers or increasing the USFC costs paid by PECO residential customers.

4 Also in accordance with the Proposed Policy Statement Order, EGSs serving CAP
5 customers may not enter into contracts that impose early cancellation and
6 termination fees or other fees unrelated to generation service. This prohibition
7 ensures that the overall rate charged to a CAP customer does not exceed PECO's
8 PTC.

9 **11. Q. Are EGSs in PECO's service territory required to serve CAP customers?**

10 A. No. An EGS serving residential customers in PECO's service territory will have
11 the opportunity, but not the obligation, to provide generation service to CAP
12 customers. An EGS that wishes to serve CAP customers (a "CAP Supplier")
13 must submit a notice of intent to participate as a CAP Supplier (a "CAP Notice"),
14 in the form attached as PECO Exhibit No. CR-1, to the Company's Electric and
15 Gas Choice department. Similarly, a CAP Supplier must submit a CAP Notice of
16 its intention to discontinue offering CAP shopping products. The effective date of
17 the CAP Notice will be the first day of the calendar month at least ten days after
18 submission. EGSs that execute a CAP Notice must agree to comply with all Plan
19 requirements, including pricing limitations for CAP customers.

1 **12. Q. Is PECO proposing any other obligations for EGSs who choose to serve CAP**
2 **customers?**

3 A. Yes. CAP Suppliers must use PECO’s “bill-ready” EDC consolidated billing
4 option for CAP customers, which will ensure that CAP customer benefits are
5 properly applied to their bill. It will also allow PECO to meet its ongoing
6 obligations to the Commission with respect to universal service programs,
7 including reporting on cost effectiveness and affordability. In addition, an EGS
8 offering a current rate to CAP customers must post that rate on the Commission’s
9 PAPowerSwitch.com shopping website and also provide it to a customer after a
10 customer request via EGS call centers. Through those mechanisms, CAP
11 customers will be able to shop more effectively for available rates, supported by
12 customer education activities.

13 **13. Q. Please describe the enrollment procedure for CAP customers who accept a**
14 **CAP Supplier’s competitive offering.**

15 A. The customer enrollment process for CAP customers will be the same as for non-
16 CAP customers. An EGS seeking to enroll a CAP customer will submit an
17 enrollment request via the appropriate Electronic Data Interchange (“EDI”)
18 transaction for the CAP customer consistent with PECO’s current Supplier Tariff
19 and Electric Data Exchange Working Group protocols.

20 In accordance with the Commission’s regulations at 52 Pa. Code § 57.173(2),
21 PECO will send a letter confirming the CAP customer’s request to switch to the
22 EGS that submitted the enrollment request. PECO will continue its current
23 practice of designating the effective date for the change in the customer’s

1 supplier, the name of the selected EGS and the date PECO may issue the first bill
2 showing the new EGS charges.

3 As explained earlier in my testimony, CAP Suppliers must agree in advance to
4 comply with the Plan's CAP rate protections by way of a CAP Notice. Therefore,
5 EGSs that submit a CAP enrollment without first submitting a CAP Notice will be
6 rejected.

7 **14. Q. How will EGSs identify CAP customers and tailor products and service**
8 **options for those customers in accordance with the Plan?**

9 A. PECO's existing EDI 814 protocol includes data elements that identify PECO's
10 CAP customers. Specifically, PECO's information technology system includes
11 two unique rate codes – UD8 (Electric Residential Service CAP) and UB8
12 (Electric Residential Heating CAP) – that identify CAP customers in EDI
13 transactions. In response to an EGS enrollment request, PECO electronically
14 transmits a file that contains customer account information, including the
15 customer's tariff rate and rate code. PECO will provide notice, via an EDI 814C
16 transaction, when existing EGS customers enroll in or leave CAP ("CAP Change
17 Notice").

18 Upon implementation of the Plan, CAP customers will also be included on
19 PECO's Eligible Customer List ("ECL") posted on SUCCESS, the Company's
20 supplier coordination website. PECO's ECL is updated monthly in accordance
21 with Commission guidelines, and the UD8 and UB8 rate codes will be included in
22 the CAP customer's rate code field. In addition, timely and accurate information

1 regarding a customer's CAP status is also available through PECO's Advanced
2 Meter Data Portal and to EGSs that submit a historical usage request prior to an
3 enrollment request.

4 **15. Q. Does PECO's current PTC filing schedule support EGS price adaptation to**
5 **the PTC, which changes each quarter?**

6 A. Yes. PECO files its residential PTC forty-five days before the effective date,
7 which provides ample time for EGSs to develop CAP products, calculate any
8 change to a currently offered CAP rate, and provide notice to existing CAP
9 customers of any rate change. PECO will continue its current communication
10 practices related to quarterly changes to the residential PTC, including publication
11 of quarterly updates to the PTC on the Company's website and notification via a
12 supplier bulletin. In addition, prior to implementation of the Plan, PECO will
13 convene a supplier workshop to notify EGSs of the opportunity to serve CAP
14 customers and will provide information regarding the Company's CAP Shopping
15 Plan rules and procedures through PECO's supplier bulletins and SUCCESS
16 portal.

17 **16. Q. Ms. Reilly, please describe the contract expiration and change notice**
18 **procedures under the Plan.**

19 A. In accordance with the Proposed Policy Statement Order, a CAP customer will be
20 subject to the following end-of-term options: renew the contract with his or her
21 existing EGS at a new Plan-compliant CAP rate, switch to another supplier
22 offering a Plan-compliant CAP rate or return to default service. If a CAP
23 Supplier seeks to enter into a new agreement with a CAP customer at the end of

1 the term or revise an existing contract consistent with the Plan's pricing
2 restrictions, the CAP Supplier must comply with the Commission's notice
3 regulations at 52 Pa. Code § 54.10. On the other hand, if an EGS elects to return
4 a CAP customer to default service upon contract expiration or cancellation of the
5 CAP customer's contract, the contract cancellation and notice provisions
6 described in the EGS disclosure statement will apply. If the EGS disclosure does
7 not address cancellation and notices, the EGS must provide at least one notice
8 thirty days in advance of discontinuing service to the customer.

9 **17. Q. Will an EGS be permitted to serve current customers who subsequently**
10 **enroll in or leave CAP under the Plan?**

11 A. Yes. An EGS may continue to serve existing customers who subsequently enroll
12 in PECO's CAP if the EGS complies with the pricing restrictions and other terms
13 set forth in the Supplier Tariff within two billing cycles of receipt of the
14 Company's CAP Change Notice. If the existing EGS is not a CAP Supplier or
15 otherwise elects to discontinue service to the customer in accordance with Section
16 14 of the Supplier Tariff, the customer will be transferred to default service,
17 effective on the next meter read date after the CAP Change Notice.

18 If a CAP Supplier has entered into a contract with a CAP customer and
19 subsequently receives a CAP Change Notice that the customer is no longer in the
20 CAP, the EGS has two options. First, the CAP Supplier may elect to maintain the
21 customer on the CAP rate until the end of the contract. Second, the CAP Supplier
22 may discontinue service in accordance with the notice provisions set forth in

1 Section 14 of PECO's Supplier Tariff and the terms and conditions of the
2 contract, just as with any other residential customer.

3 **18. Q. Will PECO be responsible for monitoring and enforcing the Plan's**
4 **limitations on EGS contracts under the Plan?**

5 A. No. PECO's bill-ready systems do not provide information on the customer's
6 EGS price necessary to monitor EGS compliance with the Plan pricing
7 requirements. PECO also does not have a mechanism to determine if any of its
8 CAP customers were subjected to early termination/cancellation or other
9 additional fees. In fact, the Commission has previously determined that other
10 EDCs do not have the responsibility to monitor compliance with limitations on
11 EGS contracts with CAP customers because EDCs do not have access to EGS
12 contracts.⁵ PECO agrees that the Commission is the appropriate entity to monitor
13 and enforce EGS compliance with the CAP shopping limitations set forth in the
14 Proposed Policy Statement Order and under PECO's Plan.

15 **19. Q. How will PECO calculate the fixed CAP credit amount if a CAP customer**
16 **shops?**

17 A. After Plan implementation, PECO will continue to calculate the CAP credit
18 amount on a quarterly basis using a twelve-month look-back period for the Base
19 Charges and CAP Payment. As a result, during the initial year that the CAP
20 customer shops, the CAP credit will be calculated using PECO's PTC in effect for
21 the twelve-month period being examined. Thereafter, the fixed bill credit for

⁵ See FirstEnergy DSP V Order, 2019 WL 1081029 at **6-7.

1 shopping CAP customers will be calculated based on EGS charges.⁶ To the
2 extent a CAP customer who shops receives a discount off PECO's PTC, the fixed
3 credit amount would also be less than the amount for non-shopping CAP
4 customers with the same Allowable Energy Burden.

5 **20. Q. Please describe the customer education initiatives included in the Plan.**

6 A. Customer education under the Plan will focus on the CAP rate protections that
7 must be included in CAP customer-EGS contracts, as well as the impact of
8 shopping on CAP benefits, and will provide tools to help CAP customers
9 understand and manage their energy bills. First, PECO will modify its CAP care
10 center scripts and training materials to inform CAP customers of their eligibility
11 to shop with EGSs who are approved as CAP Suppliers. Similarly, PECO will
12 modify its practices and procedures for community organizations engaged by
13 PECO to assist in CAP customer enrollments. The Company will publish a list of
14 CAP Suppliers on its website, which will be updated on a monthly basis. Second,
15 PECO will revise its Consumer Education Plan mailings to explain that CAP
16 Suppliers may not charge rates for generation service in excess of PECO's PTC
17 and may not impose early cancellation/termination and other additional fees. In
18 addition, PECO will promote CAP shopping through mailings, postcards,
19 brochures, PECO press releases, PECO Universal Services web pages and
20 existing CAP literature (i.e., CAP enrollment letter, etc.). The CAP customer
21 education campaign will also include customer outreach efforts, web support,

⁶ PECO will clarify the calculation of the CAP fixed credit level in a subsequent compliance filing based on the final CAP Shopping Plan design approved by the Commission.

1 community workshops and advocate-sponsored events for low-income customers.
2 In addition, PECO will promote www.PAPowerSwitch.com as the central
3 independent source of CAP Suppliers.

4 **21. Q. Does PECO propose to extend the SOP to CAP customers?**

5 A. No. The Company's existing SOP is not compatible with the Proposed Policy
6 Statement Order requirement that an EGS always charge a price at or below the
7 PECO PTC. Under the Commission-approved product design for the SOP, EGSs
8 may offer residential customers a twelve-month product with a fixed price that is
9 7% below the PTC in effect at the time of the standard offer. Under the SOP, this
10 fixed price product could exceed the PTC during the twelve-month term,
11 depending on quarterly PTC fluctuations. As a result, CAP customers would have
12 to be treated differently from other customers participating in the SOP to ensure
13 that the CAP customer's standard offer rate does not exceed the PTC at any time
14 during the twelve-month term of the contract.

15 **22. Q. Has PECO estimated the cost to implement the proposed Plan?**

16 A. Yes. The Company estimates the cost to implement the CAP Shopping Plan will
17 be approximately \$1.2 million based on PECO's proposed Plan design. PECO
18 will incur two categories of costs in implementing the Plan. First, PECO will
19 incur costs related to information technology ("IT") changes to its billing system
20 to appropriately calculate CAP customer bill credits and changes and
21 commensurate training for the customer information system to facilitate CAP
22 shopping (approximately \$0.7 million). The second category of expenditures is

1 for CAP consumer education (approximately \$0.5 million). Cost recovery is
2 discussed by Mr. Joseph A. Bisti in PECO Statement No. 2.

3 **23. Q. When will CAP customers be able to shop for electric generation supply?**

4 A. PECO will require one year to implement the proposed Plan. The implementation
5 period is necessary for the extensive IT system programming, testing and system
6 integration required to implement the Plan.

7 Considering the projected expense and outreach to CAP customers, PECO
8 proposes to begin the one-year implementation period after approval of the Plan
9 and following receipt of CAP Notices from at least five EGSs. While CAP
10 Notices are not binding, the receipt of at least five CAP Notices will ensure that
11 there is verifiable supplier interest in serving CAP customers in PECO's service
12 territory. PECO believes that demonstrated EGS interest in the form of CAP
13 Notices is appropriate considering the limited number of EGSs willing to serve
14 CAP customers in Pennsylvania.⁷

15 **III. PROPOSED CHANGES TO THE ELECTRIC SUPPLIER TARIFF**

16 **24. Q. Ms. Reilly, please describe the Company's Supplier Tariff.**

17 A. The Supplier Tariff sets forth the rights and obligations of PECO and EGSs
18 providing generation service in PECO's service territory. The Supplier Tariff
19 includes detailed provisions relating to billing options, load scheduling and other
20 coordination services, EGS customer arrangements, data exchange, payment

⁷ See Comments of PPL Electric Utilities Corp., *Electric Distribution Company Default Service Plans – Customer Assistance Program Shopping*, Docket No. M-2018-3006578 (filed July 30, 2019), pp. 4, 6-7, 11.

1 obligations, switching requests, discontinuance of service, charges for
2 coordination services provided by PECO (e.g., load data supply), default,
3 limitation of liability, and dispute resolution.

4 **25. Q. Is PECO proposing any changes to the Supplier Tariff to implement CAP**
5 **customer shopping?**

6 A. Yes. PECO is proposing the following principal revisions to implement the CAP
7 Shopping Plan:

8 • ***Restrictions on CAP Rates.*** Sections relating to EGS customer arrangements
9 have been revised to provide that EGSs must charge the CAP customers they
10 serve a rate that does not exceed PECO's PTC.

11 • ***Limitations on EGS-CAP Customer Contracts.*** Sections relating to EGS
12 customer arrangements have been revised to prohibit early
13 cancellation/termination and other additional fees for CAP customers and to
14 delineate the actions an EGS and CAP customer may take after the expiration
15 of the contract term consistent with the PUC's Proposed Policy Statement
16 Order.

17 • ***CAP Customer Billing.*** Sections relating to EGS customer arrangements
18 have been revised to provide that EGSs must offer consolidated EDC billing
19 for CAP customers in order to participate as a supplier to CAP customers in
20 PECO's service territory.

1 These changes are shown in the clean and blacklined versions of PECO's Supplier
2 Tariff attached to my testimony as Exhibits CR-2 and CR-3, respectively.

3 **26. Q. Is PECO proposing any other revisions to its Supplier Tariff that are**
4 **reflected in Exhibit CR-2?**

5 A. Yes. PECO is proposing minor revisions to remove references to Rates OP and
6 RT consistent with the Commission-approved settlement of PECO's 2010 electric
7 rate case at R-2010-2161575.

8 **27. Q. Has the Company submitted responses to the questions regarding changes to**
9 **its Supplier Tariff required by the Commission's Regulations?**

10 A. Yes. Exhibit CR-4 provides the Company's responses to the questions in 52 Pa.
11 Code § 53.52(a).

12 IV. RETAIL MARKET ENHANCEMENTS

13 **28. Q. Will PECO continue the Standard Offer Program that was first implemented**
14 **as part of PECO's second default service program?**

15 A. Yes. Since June 1, 2017, the Standard Offer Program has resulted in more than
16 26,000 residential customer and 500 small commercial customer referrals to EGSs
17 that have voluntarily chosen to offer customers a twelve-month contract priced
18 7% below PECO's default service rate at the time of the offer.

19 PECO proposes to extend the program for the term of DSP V. An extension of
20 the Standard Offer Program is consistent with the Commission's conclusion in its
21 Final Order approving PECO's current default service program ("DSP IV") that

1 continuation of the SOP was “beneficial” to all customers.⁸ In the DSP IV
2 proceeding, the Office of Consumer Advocate (“OCA”) generally supported
3 continuation of the SOP, but proposed several conditions regarding the
4 presentation and marketing of the SOP to customers, including modifications to
5 PECO’s call handling process and revisions to SOP training materials and scripts.
6 To address the OCA’s concerns, PECO revised the scripts and training materials
7 used by PECO and the third-party administrator of the SOP – Kandela⁹ – to
8 incorporate the specific disclosures agreed upon in the Commission-approved
9 settlement of the DSP IV proceeding.

10 **29. Q. Is PECO proposing revisions to its call center script initiating a transfer to**
11 **Kandela?**

12 A. No. The January 2020 Secretarial Letter (p. 10) directed EDCs to review SOP
13 customer scripts in their upcoming DSP filings in light of the PUC’s “most recent
14 statement on SOP scripting” in the FirstEnergy DSP V Order (pp. 34-42). To that
15 end, PECO reviewed its current SOP customer scripts produced from the
16 settlement in DSP IV and concluded that the scripts reasonably present the
17 opportunity to enroll in the SOP to customers and incorporate appropriate
18 customer protections.

19

⁸ *Petition of PECO Energy Co. for Approval of its Default Service Program for the Period from June 1, 2017 through May 21, 2021*, Docket No. P-2016-2534980 (Opinion and Order entered Dec. 8, 2016), p. 35.

⁹ Allconnect previously served as the third-party administrator of PECO’s SOP from the program’s inception in 2013 to August 13, 2019.

V. CONCLUSION

1

2 30. Q. Does this conclude your direct testimony?

3 A. Yes.

4

**NOTICE OF INTENT TO PARTICIPATE OR DISCONTINUE PARTICIPATION AS A
CUSTOMER ASSISTANCE PROGRAM SUPPLIER**

Electric Generation Supplier (“EGS”) Name:		DUNS Number (One per EGS):	
Contact Name:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:

Please complete the appropriate box below and provide an effective date that is the first day of the calendar month at least ten days after the Notice of Intent to Participate or Discontinue Participation as a Customer Assistance Program Supplier (“CAP Notice”) is transmitted to PECO Energy Company (“PECO”) by electronic mail at egc@peco-energy.com.

Notice-of-Intent to ENROLL Customer Assistance Program (“CAP”) customers beginning MM/01/YEAR	Notice-of-Intent to DISCONTINUE CAP products beginning MM/01/YEAR
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The submission of this CAP Notice to PECO shall constitute the EGS’s acknowledgement and acceptance of all the terms, conditions and requirements of the CAP Shopping Plan approved by the Pennsylvania Public Utility Commission (the “Commission” or “PUC”) at Docket No. P-2020-_____.

In order to provide generation service to PECO’s CAP customers, the EGS agrees to be bound by the following terms:

1. The EGS must charge CAP customers a rate for generation service that is at or below the PECO residential Price-to-Compare at all times during the contract.
2. The EGS may not enter into contracts with CAP customers that impose early cancellation and termination fees or other fees unrelated to generation service.
3. The EGS must comply with all applicable PUC customer notification requirements.
4. The EGS must use PECO’s “bill-ready” electric distribution company consolidated billing option for CAP customers.

The undersigned represents and warrants that he or she has the authority to act on behalf of, and to bind the EGS to perform the terms and conditions set forth herein.

Signature of Authorized Representative:	Date:
Name:	Title:

PECO ENERGY COMPANY

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19103

Issued: March 13, 2020

Effective: June 1, 2021

**ISSUED BY: M. A. Innocenzo, – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19103**

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Provision for EGS Serving Customers Participating in PECO Energy Company's Customer Assistance Program ("CAP Customers") – x Revised Page No. 23

Reflects provisions regarding EGS arrangements with the Company's Customer Assistance Program customers for compliance with the Order at Docket No. P-2020-_____ issued on _____, 2020.

Rule 6.6 Line Losses – X Revised Page No. 29 - Removal of references to retired rates RT and OP consistent with the Commission-approved settlement of PECO's 2010 electric rate case at R-2010-2161575.

Competitive Billing Specifications - Rule 10 - X Revised Page No. 93 - Removal of references to retired rate OP consistent with the Commission-approved settlement of PECO's 2010 electric rate case at R-2010-2161575.

Consolidated EGS Billing – Rule 9 - X Revised Page No. 98

Removal of references to retired rates RT and OP consistent with the Commission-approved settlement of PECO's 2010 electric rate case at R-2010-2161575.

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The Tariff provisions in this section apply to EGSs who provide Competitive Energy Supply to low-income customers participating in PECO Energy Company's Customer Assistance Program ("CAP"). The Company will provide notice, via an EDI 814 change transaction, when existing EGS customers enroll in or leave CAP ("CAP Change Notice").

5.5.1 Restrictions on CAP Customer Competitive Energy Supply Pricing. Consistent with the Company's CAP Shopping Plan approved by the Commission at Docket No. P-2020-_____ ("Plan"), EGSs who provide Competitive Energy Supply to CAP Customers must charge the CAP Customers they serve a rate that does not exceed PECO's Price-To-Compare at all times during the contract. Additionally, EGSs shall not charge CAP customers any early termination, cancellation or other fees unrelated to Competitive Energy Supply. EGSs shall also comply with all other rules on arrangements with CAP Customers outlined in this Tariff and the Plan.

5.5.2 EGS Notice for Entry and Exit for Serving CAP Customers. EGSs who wish to provide Competitive Energy Supply to CAP customers must first submit a notice of intent to participate as a CAP supplier (a "CAP Notice"), in the form posted on the SUCCESS website, to the Company's Electric and Gas Choice department. The effective date of the CAP Notice will be the first day of the calendar month at least ten days after submission. EGSs that serve CAP Customers and opt to cease serving them must submit a CAP Notice of such intended discontinuance.

5.5.3 Restrictions on CAP Customer Billing Options. EGSs who provide Competitive Energy Supply to CAP Customers must bill using Consolidated EDC Billing with Purchase of Receivables.

5.5.4 Contract Expiration and Change Notice Procedures for CAP Customers. At the end of the CAP supplier contract, CAP suppliers and CAP Customers may take the following actions: renew the contract with their existing EGS at a new Tariff-compliant CAP rate consistent with applicable PaPUC requirements, switch to another supplier offering a Tariff-compliant CAP rate or return to Default PLR Service.

(C) Denotes Change

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PECO Energy Company

Superseding x Revised Page No. 29

6.6 Line Losses. For purposes of backcasting, scheduling and reconciliation in Sections 6-8 of this Tariff the following transmission and distribution line loss percentages will be utilized:

For Rates R, RH, GS, SLP, SLS, SLE, SLC, TL, AL, and POL, 10.31%; for Rate PD, 8.41%; and for Rates HT and EP, 3.97%, where wholesale energy requirements = delivered retail energy requirements x [1+ the line loss percentage)].

(C)

Alternatively, for the purposes of determining the Generation Supply Adjustment line loss factor, the following transmission and distribution line loss percentages will be utilized:

For Rates R, RH, GS, SLP, SLS, SLE, SLC, TL, AL, and POL, 9.35%; for Rate PD, 7.76%; and for Rates HT and EP, 3.82%, where wholesale energy requirements = delivered retail energy requirements x [1/ (1 – the line loss percentage)].

(C)

Wholesale energy obligations for PJM settlement purposes shall be reduced to the extent that PJM and/or the Company separately charge for line losses, such as for a portion or all of transmission line losses under a FERC jurisdictional tariff.

(C) Denotes Change

Subject to the provisions of the partial settlement agreement and the Commission's final Order in Docket No. P-2009-2143607, an amount is deemed disputed if the Customer contacts PECO Energy questioning the charges on the bill and he/she does not agree with PECO's and/or EGS's position regarding the amount due for EGS charges. If the EGS charges are not in dispute, PECO Energy will remit all applicable monies due the EGS, even if the PECO Energy portion is disputed. A Customer's claim of the inability to pay shall not constitute a dispute for purposes of PECO's obligation to pay the EGS its undisputed charges.

10. PECO Energy will pay the EGS in accordance with the following schedule:

- a. Residential Rate Classes (Rates R, RH, CAP) - PECO Energy will send the EGS the amount of its undisputed EGS Charges, regardless of whether the Customer has paid PECO, within 25 calendar days from the date of the electronic transmission of the EGS Charges. (C)
- b. Non Residential Rate Classes. - PECO Energy will send the EGS the amount of its undisputed EGS Charges within 20 calendar days from the date of the electronic transmission of the EGS Charges
- c. Payment will not be made to the EGS when EGS Charges are not received by PECO Energy within the specified time period, as explained in paragraph 6 above. Payment for these charges will be made according to the applicable schedule in the following month, if they are received within the appropriate time period along with the current month charges.
- d. PECO Energy will make payments of funds payable to the EGS by ACH with remittance advice to a bank designated by the EGS.
- e. If the day for payment of EGS charges falls on a weekend, a PECO holiday, or a bank holiday, the EGS payment will occur on the next business day.

11. An EGS offering Consolidated EDC Billing to its Customers acknowledges and agrees that PECO is (a) entitled to receive and retain all payments from the EGS's Customers for purchased receivables, and (b) authorized to conduct collection activities and, if necessary, terminate its delivery service and the EGS's electric generation supply services to Customers whose accounts receivables were purchased and who fail to make payment of amounts due on the Consolidated EDC Bill, including the full amount of the purchased EGS receivables. Any Customer service termination shall be consistent with the provisions of Chapter 14 of the Pennsylvania Public Utility Code and Chapter 56 (or a successor chapter) of the Commission's regulations. Any Customer whose service is terminated for failure to pay Consolidated EDC Billing charges shall be reconnected to POLR service upon payment of the arrears that were subject to the termination (plus any applicable reconnection fees or deposits). The required payment for reconnection may include both distribution and EGS charges.

(C) Denotes Change

**Supplement No. x to
Tariff Electric Pa. P.U.C. No. 1S
X Revised No. 98**

PECO Energy Company

Superseding X Revised Page No. 98

9. The EGS will pay PECO Energy in accordance with the following schedule:

- a. Residential Rate Classes (Rates R, RH, CAP) - The EGS will send (C)
PECO Energy the amount of the undisputed PECO Charges within 25-calendar days from the date of the electronic transmission of the PECO Charges
- b. Non Residential Classes. - The EGS will send the PECO Energy the amount of its undisputed PECO Charges within 20-calendar days from the date of the electronic transmission of the PECO Charges.
- c. Payment will not be made to PECO Energy when PECO Charges are not received by the EGS within the specified time period, as explained in paragraph 6 above. Payment for these charges will be made according to the applicable schedule in the following month, if they are received within the appropriate time period along with the current month charges.
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10. Budget Billing. The EGS will include on its bill the budget amount for PECO Energy Customers who choose the budget billing option offered by PECO. The following process will apply:

If the EGS does not offer its own budget bill (and the Commission waives any applicable requirement):

- PECO Energy will transmit its BUDGET charges (including previous balance and current actual) to the EGS
 - EGS places PECO BUDGET charges on the EGS bill
 - EGS sends bill to Customer
 - EGS pays PECO Energy within 25-calendar days for residential rate classes and 20-calendar days for non-residential rate classes for BUDGET charges
 - Customer pays EGS for PECO BUDGET charges
- Month 12 Process:
- PECO Energy transmits the previous balance (credit or debit) plus CURRENT charges

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Supplement No. ~~x~~ to
Tariff Electric Pa. P.U.C. No. 1S

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PECO ENERGY COMPANY

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19103

Issued: ~~March 13, 2020~~ Effective: ~~June 1, 2021~~

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ISSUED BY: M. A. Innocenzo, – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19103

NOTICE.

Supplement No. ~~x~~ to
 Tariff Electric Pa. P.U.C. No. 1S
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LIST OF CHANGES MADE BY THIS SUPPLEMENT

Provision for EGS Serving Customers Participating in PECO Energy Company's Customer Assistance Program ("CAP Customers") – x Revised Page No. 23
 Reflects provisions regarding EGS arrangements with the Company's Customer Assistance Program customers for compliance with the Order at Docket No. P-2020-_____ issued on _____, 2020.

Rule 6.6 Line Losses – X Revised Page No. 29 - Removal of references to retired rates RT and OP consistent with the Commission-approved settlement of PECO's 2010 electric rate case at R-2010-2161575.

Competitive Billing Specifications - Rule 10 - X Revised Page No. 93 - Removal of references to retired rate OP consistent with the Commission-approved settlement of PECO's 2010 electric rate case at R-2010-2161575.

Consolidated EGS Billing – Rule 9 - X Revised Page No. 98
 Removal of references to retired rates RT and OP consistent with the Commission-approved settlement of PECO's 2010 electric rate case at R-2010-2161575.

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Issued <u>March 13, 2020</u>	<u>Effective June 1, 2021</u>

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The Tariff provisions in this section apply to EGSs who provide Competitive Energy Supply to low-income customers participating in PECO Energy Company's Customer Assistance Program ("CAP"). The Company will provide notice, via an EDI 814 change transaction, when existing EGS customers enroll in or leave CAP ("CAP Change Notice").

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Alternatively, for the purposes of determining the Generation Supply Adjustment line loss factor, the following transmission and distribution line loss percentages will be utilized:

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Wholesale energy obligations for PJM settlement purposes shall be reduced to the extent that PJM and/or the Company separately charge for line losses, such as for a portion or all of transmission line losses under a FERC jurisdictional tariff.

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PECO Energy Company

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Subject to the provisions of the partial settlement agreement and the Commission's final Order in Docket No. P-2009-2143607, an amount is deemed disputed if the Customer contacts PECO Energy questioning the charges on the bill and he/she does not agree with PECO's and/or EGS's position regarding the amount due for EGS charges. If the EGS charges are not in dispute, PECO Energy will remit all applicable monies due the EGS, even if the PECO Energy portion is disputed. A Customer's claim of the inability to pay shall not constitute a dispute for purposes of PECO's obligation to pay the EGS its undisputed charges.

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Tariff Electric Pa. P.U.C. No. 1S
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PECO Energy Company

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Month 12 Process:

- PECO Energy transmits the previous balance (credit or debit) plus CURRENT charges

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Issued March 13, 2020

Effective June 1, 2021

Responses to Questions in 52 Pa. Code Section 53.52(a)**1. The specific reason for each change.**

PECO Energy Company (PECO or the Company) is proposing supplier tariff changes to implement its plan (“Plan”) to allow customers enrolled in the Company’s Customer Assistance Program (“CAP”) to purchase competitive generation supply from an electric generation supplier (“EGS”). The Company’s Plan is being filed in response to the Commission’s Proposed Policy Statement Order in Docket No. M-2018-3006578 and the Secretarial Letter in Docket No. M-2019-3007101.

2. The total number of customers served by the utility.

The total number of electric customers served by PECO was 1,661,605 as of December 31, 2019.

3. A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

Residential customers enrolled in CAP are potentially affected due to proposed tariff changes to allow CAP customers to purchase competitive generation supply from an EGS. Other limited changes to remove references to Rates OP and RT are explained in PECO Statement No. 3, the direct testimony of Carol Reilly.

4. The effect of the change on the utility’s customers.

The primary effect of the proposed changes is to implement CAP customer shopping in PECO’s service territory consistent with the Commission’s guidelines set forth in the Proposed Policy Statement Order. All of the proposed tariff changes and their potential effects are discussed in detail in PECO Statement No. 3.

5. The effect, whether direct or indirect, of the proposed change on the utility’s revenue and expenses.

The effects of the proposed tariff changes on PECO’s revenues and expenses cannot be determined at this time and will depend upon the Plan design that is approved as part of this filing and the number of CAP customers who shop.

6. The effect of the change on the service rendered by the utility.

PECO does not expect the proposed tariff changes to affect service.

7. A list of factors considered by the utility.

The changes are being made to address the Commission's February 28, 2019 Proposed Policy Statement Order in Docket No. M-2018-3006578 – Electric Distribution Company Default Service Plans – Customer Assistance Program Shopping and the January 23, 2020 Letter of Rosemary A. Chiavetta in Docket No. M-2019-3007101 – Investigation into Default Service and PJM Interconnection, LLC Settlement Reforms. PECO Statement No. 3, the direct testimony of Ms. Reilly, discusses the reasons for all of the proposed tariff changes.

8. Studies undertaken by the utility in order to draft its proposed change.

No specific studies were undertaken.

9. Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change.

No customer polls were taken.

10. Plans the utility has for introducing or implementing the changes with respect to its customers.

PECO Statement No. 3, the direct testimony of Ms. Reilly, provides further details about the Plan and how it will be implemented.

11. F.C.C., or FERC or Commission Orders or rulings applicable to the filings.

The following orders and PUC guidance are applicable to this filing:

Docket No. M-2018-3006578 – Electric Distribution Company Default Service Plans – Customer Assistance Program Shopping (Proposed Policy Statement Order entered Feb. 28, 2019)

Docket No. R-2010-2161575 – Pennsylvania Public Utility Commission v. PECO Energy Company (Opinion and Order entered Dec. 21, 2010).

Docket No. M-2019-3007101 – Investigation into Default Service and PJM Interconnection, LLC Settlement Reforms (Secretarial Letter issued January 23, 2020)