

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company :
For Approval of its Default Service Program : Docket No. P-2020-3019290
for the Period from :
June 1, 2021 through May 31, 2025 :

SURREBUTTAL TESTIMONY

OF

BARBARA R. ALEXANDER

Barbara Alexander Consulting LLC

ON BEHALF OF THE
PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE

July 23, 2020

1 Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

2 A. My name is Barbara R. Alexander. I am the sole member of Barbara Alexander
3 Consulting LLC. My address is 83 Wedgewood Dr., Winthrop, ME 04364. I appear in
4 this case as a witness on behalf of the Office of Consumer Advocate (OCA).

5 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

6 A. Yes. I filed Direct Testimony with recommendations for PECO Energy's Default Service
7 Program on behalf of the OCA on June 16, 2020 and Rebuttal Testimony on July 9, 2020.
8 My testimony addresses PECO's proposed Standard Offer Program (SOP) and the CAP
9 Shopping program.

10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

11 A. I am testifying on behalf of the OCA in response to the Rebuttal Testimony filed by Carol
12 Reilly on behalf of PECO Energy.¹ I note that Mr. Kavulla on behalf of the Electric
13 Supplier Coalition did not file Rebuttal Testimony.

14 Q. OVERALL, DID MS. REILLY ACCEPT ANY OF YOUR RECOMMENDATIONS
15 CONCERNING PECO'S SOP AND CAP SHOPPING PROGRAMS AS REFLECTED
16 IN YOUR DIRECT TESTIMONY?

17 A. Ms. Reilly accepted a few of my recommendations.

18 ■ PECO will change the name of its SOP from "Smart Energy Choice" to a "new brand
19 name for the SOP based on market research and customer feedback that does not
20 utilize the term "smart" or the PECO corporate name."² I agree with this approach
21 but note that there is little need for any expensive market research since a common

¹ PECO St. No. 3R.

² Ibid., at 15, lines 8-10.

1 and correct name would be “Standard Offer” or “Referral” Program.

- 2 ■ While not making any specific proposal, PECO is recommending a collaborative
3 process to allow SOP customers to compare their supplier rate with the applicable
4 Price to Compare (PTC) within 120 days.³ PECO acknowledges the problem of the
5 lack of supplier pricing information on its customer bills due to its use of “bill ready”
6 billing format. However, while a complete change to its billing system may be a long
7 term proposition, PECO does not appear to be using the simplest way to make this
8 comparison possible in the short term, that is, requiring SOP suppliers (and all
9 suppliers) to provide the cents per kWh rate in the text box that PECO allows
10 suppliers to use on their bills.⁴ Once on the bill, customers can be educated on using
11 this disclosure to compare to the PTC.

- 12 ■ PECO agrees to incorporate more evaluation topics in its review of Kandela’s call
13 handling performance, including how Kandela is presenting the required customer
14 disclosures.⁵

- 15 ■ With regard to the CAP Shopping Program, PECO agrees to work with interested
16 parties in the development of its customer education messaging and metrics for
17 evaluation after PECO receives notification of participation from at least five EGSs.⁶

18 This is an acceptable response to my concerns on this issue.

19 Q. TURNING TO THOSE RECOMMENDATIONS THAT MS. REILLY DOES NOT
20 ACCEPT, PLEASE DISCUSS HER RESPONSE TO YOUR RECOMMENDATIONS

³ Ibid., at 10.

⁴ Ms. Reilly acknowledges that suppliers have access to a text box as part of the data exchange protocols that could be used to provide the supplier’s cents per kWh rate. Ibid., at 7.

⁵ Ibid., at 14.

⁶ Ibid., at 9.

1 ON THE SOP.

- 2 A. Ms. Reilly objects to any reforms to the scripts used to present the SOP to customers,
3 stating, “Those disclosures presented by Kandela customer service representatives
4 include clear and appropriate messaging regarding the operation of the SOP discount rate.
5 Ms. Alexander has not provided any evidence that suggests that Kandela’s current SOP
6 scripts cause customer confusion or dissatisfaction.”⁷ However, Ms. Reilly is incorrect
7 because she does not acknowledge or discuss my findings with respect to the customer
8 call recordings I presented in my Direct Testimony. My evaluation of those call
9 recordings suggests a serious deficiency in the proper presentation of this program that is
10 completely ignored in PECO’s Rebuttal Testimony. It is not OCA’s obligation to prove
11 that customers are confused or dissatisfied. The issue is whether PECO and its agents are
12 presenting the program in a fair and educational manner using the approved scripts so
13 that customers can make an informed choice. My testimony documented specific failures
14 to present this program properly and identified defects in how the PECO agent solicits the
15 customer’s agreement to enter into a contract with an SOP supplier without the proper
16 disclosures. I made recommendations on the scripts used by Kandela to correct some of
17 my concerns. This response by Ms. Reilly, accompanied by the lack of any effort by
18 PECO to conduct customer surveys to actually determine whether customers understand
19 the program, is not an acceptable response.
- 20 Q. MS. REILLY OBJECTS TO ANY STUDY OF THE RATES SOP CUSTOMERS PAY
21 AS A RESULT OF THE SUPPLIER RENEWAL PROCESS. IS HER REASONING
22 RELIABLE?

⁷ Ibid., at 13.

1 A. No. According to Ms. Reilly, PECO does not have to conduct such a study because the
2 Commission can obtain pricing information from EGSs and there is “no reason” to
3 undertake a study of EGS rates after the expiration of the SOP contract. Again, Ms.
4 Reilly’s reasons are not defensible. First, the Commission has no idea what an EGS
5 charges an SOP customer after the SOP contract because EGS prices and terms of
6 services presented in renewal notices are not reported or required to be reported. Second,
7 the “reason” to conduct such a study is clear as I presented in Exhibit BA-2 attached to
8 my Direct Testimony. This Exhibit shows the results of a study done by PPL Electric
9 that reveals significantly higher prices charged by some EGSs for customers who
10 remained with the SOP supplier based on a negative option renewal notice. PECO’s
11 refusal to even evaluate what happens to its customers who enter the SOP based on
12 PECO’s support and endorsement of the program and who then receive notices from their
13 SOP supplier that may result in unaffordable prices for essential electric service that
14 PECO bills and collects with the threat of termination of service for nonpayment is not
15 defensible.

16 Q. TURNING TO THE CAP SHOPPING PROGRAM, PLEASE DISCUSS PECO’S
17 PROPOSAL TO REQUIRE AT LEAST FIVE SUPPLIERS TO SIGN THEIR CAP
18 NOTICE PRIOR TO IMPLEMENTING THE PROGRAM AND INCURRING COSTS.

19 A. I supported this proposal in my Direct Testimony. However, I am now concerned with
20 Ms. Reilly’s description of the meaning of submitting the CAP Notices from at least five
21 suppliers. She clarifies in her Rebuttal that PECO is only requiring the receipt of
22 ‘nonbinding’ CAP notices.⁸ As a result, it appears that five notices could be received

⁸ Ibid., at 4, lines 21.

1 from suppliers who do not in fact make any commitment to participate in the program. I
2 question the usefulness of requiring nonbinding notices which appears to suggest that
3 PECO could incur the costs to implement the program and less than five, potentially no,
4 suppliers would actually participate in the program. I do not agree with this approach.
5 Furthermore, PECO's proposal to change the design of the CAP program may influence
6 supplier interest. I recommend that the CAP Shopping program should wait until
7 PECO's CAP design is finalized and approved. Suppliers should then be notified of
8 these changes and the CAP shopping program requirements. At least five suppliers
9 should commit to make offers to CAP customers in order to initiate the costs to
10 implement this program.

11 Q. DO YOU HAVE FURTHER TESTIMONY AT THIS TIME?

12 A. No, however, I reserve the right to supplement my testimony upon receipt of outstanding
13 discovery.

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VERIFICATION

I, Barbara R. Alexander, hereby state that the facts set forth in my Surrebuttal Testimony, OCA Statement 2-S, are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: July 23, 2020
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DocuSigned by:
Signature: 
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Barbara R. Alexander

Consultant Address: Barbara Alexander Consulting, LLC
83 Wedgewood Drive
Winthrop, Maine 04364