

STATEMENT F

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company :
for Approval of its Default Service Program : **Docket No. P-2008-2062739**
and Rate Mitigation Plan :

**STATEMENT OF TURN et al.
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT**

Tenant Union Representative Network (“TURN”), Action Alliance of Senior Citizens of Greater Philadelphia, and the Association of Community Organizations for Reform Now (collectively “TURN et al.”), signatory parties to the Joint Petition for Settlement (“Joint Petition”) in Docket No. P-2008-2062739, through counsel Community Legal Services, Inc., respectfully submit that the terms and conditions of the proposed Settlement are in the public interest, and in support state as follows:

I. Background

TURN et al. incorporate herein by reference the Background paragraphs numbered 1 through 10 of the Joint Petition.

II. Terms and Conditions of Settlement

The Settlement terms and conditions are delineated in Paragraphs 11 through 86 of the Joint Petition. TURN et al. support the Settlement because it provides for mitigation of rate increases for low-income customers through modifications of PECO’s Universal Service Programs, at ¶¶ 67-75, including its Customer Assistance Program

(CAP Rate) and its Low-Income Usage Reduction Program (LIURP). The Settlement extends CAP Rate improvements that were recently implemented, provides CAP Rate modifications to maximize affordability while considering cost control constraints, and assists low income customers with high electric usage to lower their bills.

Specifically, at ¶ 69, PECO extends the base monthly usage level eligible for discounts at 650 kWh for low income customers taking service under CAP Rate (except for tier “A”), and retains the next 100 kWh discount (up to 750 kWh) for CAP Rate “B” and “C” billed in the months of July, August and September. The 650 kWh and 750 kWh base monthly usage levels eligible for discounts were recent increases from prior levels, provided for in the settlement in PUC Docket No. M-00061945, which took effect January 1, 2009. The higher base monthly usage levels were a critical provision in the prior settlement to address historic unaffordable bills for many of PECO’s customers enrolled in CAP Rate and are properly maintained post-2010 to assist with mitigation of rate increases on low income customers.

In ¶¶ 67, 71 and 73, the Settlement provides for adjustments to the CAP Rate discounts as electric rates fluctuate so that CAP bills can more closely stay in line with the Commission’s CAP affordability guideline, to the extent allowed by cost control provisions. CAP Rate modifications allow for adjustments downward or upward of the CAP Rate discounts so that about 90% of CAP customers will receive bills within the Commission’s affordability guidelines. The lowest income customers in CAP Rate tiers A and B (at or below 25% of the federal poverty level) can receive further protection from unaffordable bills at ¶ 67. Also, if the Commission adopts a CAP Policy Statement

that includes more affordable energy burdens, PECO's CAP Rate customers can see more affordable bills, to the extent allowed by cost control provisions, at ¶¶ 71 and 73.

The Settlement, at ¶ 68, changes the PECO CAP Rate program from 4 levels of income tiers to a 6-tier system in order to provide more targeted discounts to low income customers. PECO has also agreed to update income data for its CAP Rate customers before setting discounts so that the discount for each CAP tier is based on current and proper income data.

At ¶¶ 72, 74 and 75, PECO agrees to implement measures to track and report the electric usage of low income customers and to increase significantly the funding for PECO's electric Low-Income Usage Reduction Program (LIURP). Over 4 years, PECO will increase electric LIURP expenditures by a total of \$7 million (\$1.0 million additional spending in 2010, \$1.5 million in 2011, \$2.0 million in 2012, and \$2.5 million in 2013). With current annual LIURP expenditures at \$5.6 million, under this settlement LIURP will grow by 45% in 2013. Low income customers need now, more than ever, the tools and long-term measures through LIURP to assist them to reduce and conserve energy. An expanded LIURP program should result in more low income households receiving conservation services which will assist them in their efforts to reduce energy usage and achieve more affordable PECO bills.

Further, the Settlement avoids unnecessary litigation time and expense.

III. Conclusion

For the foregoing reasons, TURN et al. submit that the terms and conditions of the

Joint Petition for Settlement are in the public interest and should be approved by the Administrative Law Judge and the Pennsylvania Public Utility Commission.

Respectfully submitted,



Thu B. Tran, Esquire
Philip A. Bertocci, Esquire
Jonathan M. Stein, Esquire

Attorneys for TURN et al.

COMMUNITY LEGAL SERVICES, INC.
1424 Chestnut Street
Philadelphia PA 19102
ttran@clsphila.org
pbertocci@clsphila.org
jstein@clsphila.org
215-981-3777

March 9, 2009