

**PECO ENERGY COMPANY
STATEMENT NO. 7-R**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION

v.
PECO ENERGY COMPANY

DOCKET NO. R-2018-3000164

REBUTTAL TESTIMONY

WITNESS: MARK KEHL

SUBJECTS: INCREASE TO RESIDENTIAL
CUSTOMER CHARGE; RATE HT,
REVENUE ALLOCATION; LOW-
INCOME CUSTOMER ISSUES; AND
LIMITED ENGLISH PROFICIENCY
CUSTOMER ISSUES

DATED: JULY 24, 2018

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1 **REBUTTAL TESTIMONY**
2 **OF**
3 **MARK KEHL**

4 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

5 **1. Q. Please state your name, professional occupation and business address.**

6 A. My name is Mark Kehl. I am employed by PECO Energy Company (“PECO” or the
7 “Company”) as a Principal Regulatory and Rates Specialist. My business address is
8 PECO Energy Company, 2301 Market Street, Philadelphia, Pennsylvania 19103.

9 **2. Q. Have you previously submitted testimony in this proceeding?**

10 A. Yes. I submitted direct testimony that is marked as PECO Statement No. 7. My
11 background and qualifications are set forth in that Statement.

12 **3. Q. What is the purpose of your rebuttal testimony?**

13 A. My rebuttal will address five separate areas:

14 **Residential Customer Charge:** I will respond to the direct testimony of Mr. Roger
15 D. Colton and Mr. Clarence L. Johnson on behalf of the Office of Consumer
16 Advocate (“OCA”), Mr. Joseph Kubas on behalf of the Bureau of Investigation &
17 Enforcement (“I&E”), Mr. Mitchell Miller on behalf of the Coalition for Affordable
18 Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), and Mr.
19 Harry S. Geller on behalf on the Tenant Union Representative Network and Action
20 Alliance of Senior Citizens of Greater Philadelphia (“TURN et al.”) concerning the
21 proposed increase to the residential customer charge.

1 **Rate HT:** I will respond to the direct testimony of Mr. Jeffry Pollock on behalf of
2 the Philadelphia Area Industrial Energy Users Group (“PAIEUG”), Paul J. Ciesielski
3 on behalf of ArcerlorMittalUSA LLC (“ArcerlorMittal”) and Mr. Gregory W.
4 Tillman on behalf of Wal-Mart Stores East, LP and Sam’s East, Inc. (“Walmart”)
5 concerning the proposed design of Rate HT.

6 **Revenue Allocation:** I will respond to the direct testimony of Mr. Johnson, Mr.
7 Brian Kalcic on behalf of the Office of Small Business Advocate (“OSBA”), Mr.
8 Pollock, Mr. Kubas, and Mr. Tillman concerning the allocation of the Company’s
9 proposed revenue increase among customer classes.

10 **Low-Income Customer Issues:** I will respond to the direct testimony of Mr. Geller,
11 Mr. Miller, and Mr. Colton regarding a variety of low-income customer issues.

12 **Limited English Proficiency Customers:** I will respond to the direct testimony of
13 Mr. Geller concerning service to customers with limited English proficiency or
14 “LEP” customers.

15 **II. INCREASE TO RESIDENTIAL CUSTOMER CHARGE**

16 **4. Q. OCA, CAUSE-PA and TURN et al. argue that PECO’s proposed increase to the**
17 **residential customer charge is uniquely harmful to low-income customers. On**
18 **that basis, both CAUSE-PA and TURN et al. recommend that any residential**

1 **class increase be reflected in the volumetric rather than the fixed charge. Please**
2 **respond.**

3 A. PECO’s proposed increase to the residential fixed distribution service charge is well
4 supported and is designed to lessen the impact of the overall rate increase on high
5 usage, low-income customers. As explained by my direct testimony, the \$12.50
6 residential customer charge proposed by the Company will be closer to, but still less
7 than, the customer-related costs identified by Ms. Ding in PECO Exhibit JD-5. Ms.
8 Ding performed the Company’s customer-cost analysis in the same manner as the
9 customer-cost analysis presented by PPL Electric Utilities Corporation (“PPL Electric
10 Utilities”) in its 2012 electric base rate case, where its analysis was accepted and
11 relied upon by the Administrative Law Judge and the Commission as the basis for the
12 \$14.09 customer charge approved in that case.¹ Moreover, PECO’s current
13 residential fixed distribution service charge of \$8.45 per month is lower than the
14 residential customer charges of all but one of the six other major electric distribution
15 companies in Pennsylvania.² PECO’s proposal is well within the range of the
16 customer charges of other major Pennsylvania electric distribution companies and is
17 \$4.61, or 26.9%³, below PPL Electric Utilities’ customer charge of \$17.11.⁴ The
18 Company’s proposal is also \$3.75, or 23.1%, below Duquesne Light Company’s

¹ *Pa. P.U.C. v. PPL Elec. Util. Corp.*, Docket No. R-2012-2290597, Recommended Decision (Oct. 19, 2012), pp. 118-120, and Final Order (Dec. 28, 2012), p. 131.

² See PECO Exhibit MK-3.

³ My direct testimony (p. 9) contained a typo and erroneously stated 36.9% instead of 26.9%.

⁴ This comparison reflects data in PECO Exhibit MK-3 which was current as of the date of PECO’s initial base rate filing, but PPL’s tariff shows its residential customer charge is now higher (\$17.46).

1 proposed residential customer charge of \$16.25 in its pending base distribution rate
2 proceeding.⁵

3 PECO's proposal will provide a relative benefit to high-use, low-income customers
4 by lessening the impact of the overall rate increase. Any division of cost between
5 fixed and volumetric components in a customer class will have relative winners and
6 losers, and the Company believes that its proposal to provide a relative benefit to
7 high-usage low-income customers, who are more likely to experience high monthly
8 bills, is reasonable. Finally, those low-income customers who are enrolled in the
9 Company's Customer Assistance Program ("CAP") will continue to receive an
10 affordable bill if the residential customer charge is increased, whether they are high or
11 low usage customers, because the Company will adjust the fixed credits to reflect the
12 rate increase.

13 **5. Q. OCA performed its own residential customer charge analysis and contends that**
14 **a customer charge of \$7.84 is indicated. OCA recommends that PECO maintain**
15 **its current residential customer charge at \$8.45 or, in the alternative, that any**
16 **percentage increase be capped at the percentage increase in distribution**
17 **revenues for Rate R. Please respond.**⁶

18 A. As Ms. Ding explains in her rebuttal testimony, the customer-cost analysis performed
19 by Mr. Johnson is flawed because it ignored some of the costs that were included in

⁵ *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2018-3000124.

⁶ I&E also opposes an increase to any customer charge (including the residential customer charge) on the basis that PECO did not adequately support its claims for increased customer charge. Ms. Ding addresses I&E's claim in her rebuttal testimony.

1 the PPL customer-cost analysis which, as I mentioned previously, was accepted and
2 relied upon by the Administrative Law Judge and the Commission. Furthermore,
3 OCA's recommendation to either maintain PECO's customer charge or limit any
4 percentage increase to the overall increase in distribution revenue for Rate R should
5 be rejected because it fails to reduce any of the disparity between the customer charge
6 and PECO's customer-related costs.

7 **6. Q. Mr. Colton states that PECO's proposed increase to the residential customer**
8 **charge will result in a "revenue loss" to confirmed low-income customers of over**
9 **\$9.9 million, which equates to an 82% decrease in Low Income Home Energy**
10 **Assistance Program ("LIHEAP") funding for low-income customers. Please**
11 **respond.**

12 A. Mr. Colton's calculation of "revenue loss" to confirmed low-income customers is
13 flawed because it assumes that every confirmed low-income customer will be
14 required to pay the proposed \$4.05 per month increase in the customer charge. In
15 reality, confirmed low-income customers enrolled in CAP will not experience a \$4.05
16 per month increase in their bill. As I mentioned previously, the Company will adjust
17 the fixed CAP credits to reflect the rate increase and CAP customers will continue to
18 receive an affordable bill. I also note that PECO is not proposing to decrease
19 LIHEAP funding in this proceeding. LIHEAP is a federal program and PECO is not
20 involved in the establishment of LIHEAP funding levels.

1 **III. RATE HT**

2 **7. Q. Mr. Pollock contends that the demand caps on PECO's proposed Rate HT**
3 **voltage discount are not cost-based and should be removed. Mr. Pollock also**
4 **recommends that PECO increase the Rate HT customer charge to \$354 as**
5 **indicated in PECO's cost of service study. Please respond.**

6 A. PECO believes that its proposed demand caps for the voltage discount are appropriate
7 and further notes that ArcerlorMittal supports and Walmart does not oppose the
8 Company's proposed rate design for Rate HT. In addition, PECO supports Mr.
9 Pollock's recommendation to increase the Rate HT customer charge to \$354 to match
10 the cost-based customer charge determined in PECO's cost of service study.

11 **IV. REVENUE ALLOCATION**

12 **8. Q. Please summarize the other parties' revenue allocation proposals.**

13 A. Alternative allocation proposals were made by witnesses on behalf of OCA, OSBA
14 and PAIEUG. The OSBA's proposed allocations were based on the Company's cost
15 of service study, while the OCA's and PAIEUG's proposals were based on their
16 witnesses' proposed modifications to the Company's cost of service study. All of the
17 witnesses that made alternative proposals acknowledged the need to consider the
18 principle of gradualism and purported to apply that principle while also trying to
19 achieve the goal of moving classes to their indicated cost of service. I note that
20 Walmart did not oppose the Company's proposed revenue allocation methodology,
21 finding that it reduced subsidy levels for all classes.

1 9. Q. After reviewing these proposals, does the Company believe that any change is
2 called for in its revenue allocation proposal?

3 A. No, it does not. There are many ways to allocate the increase that purport to give due
4 consideration to cost of service and the principle of gradualism, as illustrated by the
5 various proposals put forth in this case. However, the Company's proposal provides
6 a reasonable and prudent and, in my opinion, the best, balancing of those interests.
7 The Company's allocation of the increase is in the middle range of the alternatives,
8 and the total bill impacts are all within a reasonable range for the major classes.

9 10. Q. Do the different parties propose methods of scaling back the proposed increases
10 if the Commission grants less than the Company's requested revenue increase?

11 A. I&E, OCA, OSBA, PAIEUG and Walmart each propose scale-back approaches. I&E
12 provides a scale-back plan, *see* I&E Exhibit No. 3, Sch. 11, p. 1, showing the
13 reductions to the various classes and different scale-back levels. OCA, OSBA and
14 PAIEUG state that the overall increase should be distributed to rate classes based on
15 their recommended class revenue allocations and then scaled back proportionately if
16 PECO is granted less than its proposed revenue increase. Walmart recommends that
17 the final revenue allocation maintain the Company's proposed methodology to ensure
18 that subsidies are reduced further for all classes. While I disagree with the alternative
19 allocations of the proposed revenue increase, I agree with the concept of a
20 proportional scale back.

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1 **V. LOW-INCOME CUSTOMER ISSUES**

2 **A. CAP**

3 **11. Q. Please summarize PECO’s general CAP enrollment process.**

4 A. PECO identifies customers who may be eligible for CAP through a variety of means
5 including when a customer calls into one of our PECO call centers, at community
6 outreach events or by referrals from various human services agencies and elected
7 official offices. In order to confirm CAP eligibility and become enrolled in the
8 program, a customer must complete a CAP application and provide proof of income
9 for all adult household members (18 years of age or older).

10 **12. Q. Mr. Miller and Mr. Geller both express concern about a decline in the number
11 of customers enrolled in CAP. Please respond.**

12 A. Mr. Miller and Mr. Geller are correct that PECO’s CAP enrollment has declined
13 recently. A primary driver of the decline was the loss of bill credits by a substantial
14 number of CAP customers once the Company transitioned to the fixed credit option
15 (“FCO”) CAP program. As Mr. Geller notes, a known consequence of the
16 restructured CAP was that approximately 40,000 customers would no longer receive a
17 CAP credit. In the months following the transition to CAP FCO, PECO’s CAP
18 enrollment declined by approximately 30,000 customers. While the Company has not
19 surveyed these customers, it appears that there is a correlation between the loss of bill
20 credits and the loss of CAP customers.

1 13. Q. Did the Company take steps before and during the transition to the CAP FCO to
2 encourage customers to remain enrolled on CAP?

3 A. Yes. Prior to the transition to CAP FCO, PECO performed outreach to existing CAP
4 customers to make sure they were aware of CAP benefits beyond a bill credit, such as
5 arrearage forgiveness. After the transition began, PECO had a dedicated customer
6 service team to address customer questions related to CAP FCO.

7 14. Q. Has the Company implemented any longer-term enhancements to its CAP
8 enrollment process?

9 A. Yes, the Company has implemented a number of targeted efforts to address the
10 decline in enrollment.

11 *Outreach and Enrollment Events.* PECO holds CAP outreach events in
12 neighborhoods with high poverty rates and staffs those events with on-site
13 representatives to assist customers with CAP enrollment and answer questions about
14 the customer's account.

15 *Proactive Recertification Calls.* PECO makes multiple attempts to contact customers
16 who: (1) are due for recertification and have already received two recertification
17 notices; or (2) have been removed from CAP for failure to recertify. During these
18 calls, the Company can answer any questions the customer may have about CAP,
19 including the enrollment or recertification process, and handle requests for a CAP
20 application.

1 *Enhanced Collaboration with Community Partners.* PECO has strengthened its
2 relationship with Philadelphia Neighborhood Energy Centers and other Fuel Fund
3 agencies outside of Philadelphia by providing staff training regarding PECO’s low-
4 income programs, including CAP, and a PECO point-of-contact for ongoing support.
5 PECO has also convened periodic feedback sessions with these organizations to
6 identify any customer challenges or trends concerning PECO’s low-income programs.

7 *Collaboration with PECO Act 129 Programming.* Non-CAP customers with income
8 less than 150% of the Federal Poverty Level who have scheduled a Home Energy
9 Checkup as part of PECO’s Act 129 programming receive CAP information, a CAP
10 application and assistance with their application if needed.

11 *Enhanced Written and Social Media Communications.* PECO has employed a
12 multi-prong communications strategy to educate customers about CAP, including
13 event flyers, posts on Facebook and Twitter, enhanced signage at outreach events,
14 and direct customer mailings (bill inserts or Energy at Home) that contain CAP
15 information.

16 **15. Q. Mr. Miller and Mr. Geller each provide detailed recommendations concerning**
17 **CAP enrollment. Please summarize those recommendations.**

18 A. Mr. Miller recommends that PECO improve outreach, education, and referral for
19 CAP through: (i) CAP-screening on credit-related calls; (ii) active recruiting among
20 customers with existing debt; (iii) providing a Low Income Usage Reduction Program
21 (“LIURP”) and Customer Assistance and Referral Evaluation Services (“CARES”)
22 transfer referral process to the CAP administrator; (iv) launching a social media

1 campaign focused on periodic updates on issues affecting low-income customers; (v)
2 creating a homepage link for low-income customers; and (vi) including CAP-specific
3 information on termination notices. He also recommends that PECO make
4 recertification reminder calls, send postage-paid envelopes for CAP applications, and
5 inform CAP customers that their CAP credit can be reevaluated for changes in
6 circumstance (e.g., further reduction in income).

7 Mr. Geller recommends that PECO: (i) conduct targeted outreach to low-income
8 customers not yet enrolled on CAP; (ii) utilize community based organizations
9 (“CBOs”) for outreach and enrollment; and (iii) examine CAP rejections and target
10 individuals with incomes at or below 200% who were rejected for being over income
11 or failing to verify information.

12 **16. Q. Does PECO agree with these recommendations?**

13 A. PECO believes that its existing CAP outreach and enrollment strategy is appropriate.
14 As I explained, the Company has taken a multi-prong approach to addressing the
15 decline in CAP enrollment that includes some of the other parties’ recommendations,
16 such as recertification reminders.

17 **17. Q. Mr. Miller contends that PECO only allows for an exemption from maximum**
18 **CAP credits for one of the five circumstances permitted in the Commission’s**

1 **CAP Policy Statement and recommends that PECO allow exemptions for all five**
2 **circumstances. Please respond.**

3 A. The Commission’s CAP Policy Statement permits a utility to exempt a customer from
4 maximum CAP credits if one or more of the following conditions exist: (i) the
5 household experienced the addition of a family member; (ii) a member of the
6 household experienced a serious illness.; (iii) energy consumption was beyond the
7 household’s ability to control; (iv) the household is located in housing that is or has
8 been condemned or has housing code violations that negatively affect energy
9 consumption; and (v) energy consumption estimates have been based on consumption
10 of a previous occupant.⁷ The CAP Policy Statement also provides that the annual
11 maximum CAP credits should not exceed a total of \$1400 per electric heating
12 participant, \$840 per gas heating participant and \$560 per non-heating customer.⁸

13 While Mr. Miller is correct that PECO permits an exemption from maximum credits
14 only when a medical condition results in increased usage, it is important to note that
15 PECO’s maximum CAP credit levels far exceed the levels in the Policy Statement:

⁷ 52 Pa. Code § 69.265(3)(iv).

⁸ 52 Pa. Code § 69.265(3)(v).

	PECO Annual Maximum CAP Credits - Rate R	Commission Annual Maximum CAP Credit	PECO Annual Maximum CAP Credits - Rate RH	Commission Annual Maximum CAP Credit
0-50% FPL	\$2,048	\$560/\$840	\$2,922	\$1400
51-100% FPL	\$1,389	\$560/\$840	\$1,881	\$1400
101-150% FPL	\$1,241	\$560/\$840	\$1,661	\$1400

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As a practical matter, PECO’s maximum CAP credit levels permit customers to significantly exceed the Commission’s CAP credit maximums for any reason, including the four additional circumstances Mr. Miller argues deserve an exemption. This “blanket exemption” avoids the need to ask a customer to prove something like the customer’s energy consumption was beyond the household’s ability to control, which could be burdensome for both the customer and PECO. Furthermore, only a small percentage (about 6.5%) of CAP customer have usage that is high enough to reach PECO’s maximum CAP credit. For these reasons, PECO does not believe that additional enumerated exemptions are warranted. Finally, the Company’s quarterly recalculation of CAP credits helps all families that have additional usage due to a new family member except for the limited group that are already at or very near the applicable CAP maximum amount.

1 **B. LIURP**

2 **18. Q. Mr. Miller and Mr. Geller both recommend that PECO significantly increase its**
3 **LIURP budget. Please respond.**

4 A. I disagree. PECO’s LIURP budget is sufficient to implement the Company’s
5 Commission-approved LIURP program and it reflects two notable constraints on
6 LIURP spending: (1) LIURP measures cannot be installed unless they will meet
7 established payback period requirements;⁹ and (2) LIURP funds cannot be used to
8 remedy health and safety barriers in customer homes that impede LIURP
9 implementation.

10 **19. Q. Mr. Miller, Mr. Geller and Mr. Colton also provided detailed recommendations**
11 **about how LIURP should be implemented. Please summarize those**
12 **recommendations.**

13 A. Mr. Miller recommends that PECO: (i) target 14% of LIURP jobs as heating jobs and
14 86% as baseload; (ii) target non-CAP confirmed low-income households for LIURP
15 remediation; and (iii) reduce the usage threshold to 500 kWh for non-CAP customers.
16 Mr. Colton recommends that PECO target a minimum percentage of high use, high
17 CAP credit customers for LIURP treatment on an annual basis. The percentage
18 would be set at the percentage of CAP participants that have annual CAP usage over
19 1,200 kWh for non-heating customers and 1,500 kWh for heating customers. Finally,

⁹ See 52 Pa. Code § 58.11.

1 Mr. Geller recommends that PECO improve tenant access to LIURP through
2 additional owner and tenant outreach.

3 **20. Q. Does the Company support these recommendations?**

4 A. PECO believes that its current LIURP implementation strategy is appropriate. The
5 Company proactively identifies low-income high-usage customers and reaches out to
6 those customers by phone and/or mail to inquire about scheduling a LIURP audit.
7 Targeting a particular percentage of heating jobs or baseload jobs or subsets of high
8 usage customers is both burdensome and unnecessarily restrictive. The Company
9 should have the flexibility to address the needs of any eligible low-income, high-
10 usage customer as determined by the LIURP assessment.

11 PECO's different LIURP usage thresholds for CAP (500 kWh) and non-CAP (650
12 kWh) customers prioritize CAP customers for LIURP, which is consistent with the
13 Commission's requirement that all CAP customer participate in LIURP.¹⁰

14 Regarding tenant access to LIURP, PECO has been actively addressing the issue of
15 landlord refusals since 2016 through several mediums including meetings with
16 landlord groups. PECO saw a significant reduction in landlord refusals in 2017
17 compared to previous years and the 2018 year-to-date data shows that landlord refusal
18 numbers are continuing to stay well below pre-2017 levels:
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¹⁰ See 52 Pa. Code § 69.265(7)(v).

	2018 (through May)	2017	2016	2015
Cancellations/Rejections Due to Landlord Refusal	630	992	2688	2483

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However, the Company is open to specific suggestions for further improvement in

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this area.

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C. Confirmation Of Low-Income Status And Winter Terminations

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6 **21. Q. Mr. Colton recommends that PECO allow additional means to verify income**
7 **when a customer is facing a winter termination. Please describe his proposal.**

8 A. Mr. Colton recommends that PECO: (1) adopt more flexible tariff language regarding
9 what documentation may be accepted to establish income eligibility; (2) adopt
10 language that income verification from CBOs is sufficient to establish income
11 eligibility; (3) permit any customer who already has “confirmed low-income” status
12 to not have to re-certify or re-verify to receive winter shut off protection; (4) permit
13 any customer who previously established income eligibility for winter shutoff
14 protections (within the past 12 months) to not have to re-verify for the heating season;
15 and (5) allow 30-day annualized income rather than only annual income to verify
16 winter shutoff protection eligibility.

17 **22. Q. Do you agree with his proposal?**

18 A. I do not believe that Mr. Colton’s recommendations are necessary in light of: (1) the
19 ongoing statewide effort by the Commission to review and update universal service

1 program requirements; and (2) recent settlement commitments made by the Company
2 regarding winter terminations.

3 First, PECO is an active participant in the Bureau of Consumer Services' effort to
4 update universal services requirements, which includes, among other things,
5 consideration of standardized no-income and CAP forms.¹¹

6 Second, PECO has recently agreed to provide additional flexibility regarding income
7 verification for winter termination as part of a Settlement Agreement with I&E.¹² For
8 example, for winter termination purposes, the Company will now accept the
9 following as verified proof that the household has income of less than 250% of the
10 Federal Poverty Level :

- 11 1. Enrollment in PECO's CAP program at any time within two years prior to the
12 issuance of the winter termination notice;
- 13 2. Receipt of a LIHEAP grant at any time within two years prior to the issuance of
14 the winter termination notice;
- 15 3. Receipt of a Matching Energy Assistance Fund ("MEAF") grant at any time
16 within two years prior to the issuance of the winter termination notice;
- 17 4. Receipt of verified documentation of low-income status in response to an Income
18 Inquiry Letter, as described below;
- 19 5. Other verified documentation that the household's income is below 250% of the
20 Federal Poverty Level, as long as such documentation was received within two
21 years prior to the issuance of the winter termination notice.

22 In addition, for those customers without a verified income and facing winter
23 termination, PECO will mail a letter (the "Income Inquiry Letter") informing the

¹¹ *Review of Universal Service and Energy Conservation Requirements*, Docket No. M-2017-2596907

¹² *Pa. P.U.C, Bureau of Investigation and Enforcement v. PECO Energy Company*, Docket No. M-2018-2531404.

1 customer that the Company does not have verified income information for the
2 customer and that the customer is subject to termination for non-payment during the
3 winter period. PECO will also attempt to contact the customer by telephone if it does
4 not respond to the Income Inquiry Letter. If the customer responds with verified
5 income information demonstrating that the household income is less than 250% of the
6 Federal Poverty Level, the household will receive winter termination protection.

7 **D. Budget Billing**

8 **23. Q. Mr. Colton recommends that PECO take steps to increase the use of budget**
9 **billing by: (1) performing targeted outreach to low-income and residential**
10 **customers that experience short-term arrears during high-cost months; and (ii)**
11 **automatically enrolling deferred payment arrangement (“DPA”) customers into**
12 **budget billing unless the customer asks to be removed. Please respond.**

13 A. PECO believes that targeted outreach regarding budget billing to low-income
14 customers and customers with a DPA would be reasonable. However, PECO does
15 not support the automatic enrollment of customers with a DPA into budget billing
16 because customers should have the flexibility to determine their own bill structure.

17 **24. Q. Mr. Colton also recommends that PECO offer budget billing plans for 10 or 11**
18 **months, meaning that a customer will pay a levelized bill for 10 or 11 months**

1 **and then pay nothing for the remainder of the 12-month period. Does PECO**
2 **agree with this recommendation?**

3 A. No. PECO believes that structuring bills so that no customer payment is due for a
4 month or two each year could have the effect of breaking good payment habits and
5 increasing the overall risk of customer non-payment.

6 **E. Security Deposits**

7 **25. Q. Both CAUSE-PA and TURN et al. contend that PECO is holding security**
8 **deposits for a number of low-income customers and recommend that such**
9 **deposits be returned. TURN et al. further recommends that PECO take steps to**
10 **ensure low-income customer can receive waivers when appropriate. Please**
11 **respond.**

12 A. CAUSE-PA and TURN et al. are correct that PECO was holding security deposits for
13 a number of customers who were entitled to a waiver based on their income. As soon
14 as this issue was discovered, the Company began returning the security deposits to
15 those customers. In fact, all such security deposits have been returned. Beginning in
16 August, the Company will complete monthly reports of its customer accounts to
17 identify deposits paid and assessed for customers who have: (1) verified their income
18 is below 150% FPL within the past four years; or (2) received LIHEAP grants within
19 the past two years. Any such customers who have paid or been assessed a security
20 deposit will promptly have the deposit credited to their account.

1 VI. LIMITED ENGLISH PROFICIENCY (“LEP”) CUSTOMER ISSUES

2 26. Q. TURN et al. expresses a number of concerns regarding PECO’s language access
3 policies. Do you believe PECO’s approach to serving LEP customers is
4 appropriate and consistent with Commission requirements?

5 A. Yes. PECO currently provides LEP customers with meaningful access to the
6 Company’s services. First, the Company employs Spanish-speaking Customer
7 Service Representatives (“CSRs”) and provides oral language interpretation, on
8 demand, in 150 languages. When a PECO CSR perceives a language barrier or if a
9 customer requests an interpreter, the CSR will conference in a representative from
10 Language Line, our interpretation vendor, that speaks the language of the customer.
11 The Language Line representative will then interpret the conversation between the
12 customer and the CSR to ensure the customer’s need is satisfied. PECO reviewed
13 2017 and 2018 data concerning Language Line calls and found that the vendor was
14 able to provide services for all languages requested and that the vast majority of
15 services were provided to Spanish speaking customers. A summary of the data is
16 provided below:

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Language	2017		2018 (through May)	
	Calls	Percentage	Calls	Percentage
SPANISH	33,259	86.7%	13,734	86.9%
MANDARIN	1,127	2.9%	481	3.0%
RUSSIAN	990	2.6%	392	2.5%
PORTUGUESE	798	2.1%	333	2.1%
ARABIC	330	0.9%	176	1.1%
KOREAN	339	0.9%	110	0.7%
VIETNAMESE	256	0.7%	128	0.8%
CANTONESE	159	0.4%	41	0.3%
FRENCH	130	0.3%	43	0.3%
BENGLI	86	0.2%	47	0.3%
54 Other languages	870	2.3%	312	2.0%
Total	38,344		15,797	

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In terms of written materials, the Company not only complies with 52 Pa. Code § 56.91, cited by Mr. Geller, which requires that termination notices include certain information in Spanish – PECO also provides certain materials in Spanish (e.g., CAP Application, PECO Customer Handbook) and Mandarin (12 Easy Ways to Save Energy Dollars at Home). Finally, PECO provides live Spanish-speaking radio advertisements for low-income program offerings on Spanish-speaking radio programs.

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27. Q. Mr. Geller recommends that the Company complete a needs assessment that looks at the number of LEP households, the languages spoken, and the extent to which those households should be targeted for low-income programming and/or energy efficiency. Based on that assessment, Mr. Geller further recommends

1 **that PECO develop a written policy about serving LEP customers. Please**
2 **respond.**

3 A. PECO agrees that it would be appropriate to conduct a language assessment of the
4 residents in its service territory to ensure that, consistent with 52 Pa. Code § 56.91,
5 termination notices provide information in each language used by 5% of more those
6 residents. Based on that language assessment and the Company's experience in
7 working with LEP customers and leaders in the LEP community, the Company may
8 decide it is appropriate to make changes to how it currently serves LEP customers.

9 **VII. CONCLUSION**

10 **28. Q. Does this complete your rebuttal testimony?**

11 A. Yes, it does.

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