

COMMONWEALTH OF PENNSYLVANIA



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March 7, 2024

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

Re: Petition of PECO Energy Company for Approval of
its Default Service Program for the Period of June 1,
2025, through May 31, 2029
Docket No. P-2024-3046008

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Barrett C. Sheridan
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Enclosures:

cc: The Honorable Eranda Vero (email only: evero@pa.gov)
The Honorable Arlene Ashton (email only: aashton@pa.gov)

Certificate of Service
*4873-3373-2779

CERTIFICATE OF SERVICE

Petition of PECO Energy Company for :
Approval of its Default Service Program : Docket No. P-2024-3046008
for the Period of June 1, 2025, through :
May 31, 2029 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 7th day of March 2024.

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Dated: March 7, 2024
*4859-7569-6043

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company :
For Approval of its Default Service :
Program for the Period from : Docket No. P-2024-3046008
June 1, 2025 through May 31, 2029 :

PREHEARING MEMORANDUM OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in response to the March 4, 2024 Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On February 2, 2024 PECO Energy Company (PECO) filed a Petition for Approval of its Default Service Program for the Period from June 1, 2025 through May 31, 2029.

II. PROCEDURAL HISTORY

The Companies' Petition was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judges (ALJs) Eranda Vero and Arlene Ashton. On March 1, 2024 the Office of Consumer Advocate (OCA) filed its Answer to the Petition. On March 4, 2024 the Office of Administrative Law Judge issued a Notice scheduling a Call-In Telephonic Prehearing Conference for March 8, 2024, at 10:00 a.m. Additionally, on March 4, 2024, ALJs Vero and Ashton issued a Prehearing Conference Order setting forth the parties' obligations with respect to the Prehearing Conference and directing the parties to prepare and distribute prehearing memorandums by March 7, 2024 at 4:30 p.m. On March 7, 2024 the OCA files this Prehearing Memorandum in accordance with the Prehearing Conference Order.

III. ISSUES

The OCA seeks to ensure that the DSP and any rates approved as a result of this proceeding are reasonable and consistent with Pennsylvania law, the Commission's regulations, and related orders. Upon a preliminary analysis of the Company's Petition, the OCA identified several significant issues that require further review. These issues include the following:

- A. Default Service Products and Procurement Methodology: The OCA will examine the type and variety of products that the Company proposes to solicit to determine whether the proposal will provide the least cost over time for residential default service customers in accordance with the Commission's regulations and Act 129 of 2008 (Act 129). The OCA will also examine the Company's procurement plan to determine whether the proposal is designed to provide the least cost reliable supply, taking into account price stability for customers over time.
- B. Alternative Energy Portfolio Standards (AEPS) Act Procurement: The OCA will review the Company's procurement methodology proposal to ensure that ratepayers receive these services at the least cost over time. Moreover, the OCA will analyze the Company's proposal in regard to long-term solar procurement.
- C. Rate Design: The OCA will review the Company's rate design practices for compliance with the Commission's regulations.
- D. TOU Rates: The OCA will review the proposed TOU Rates to ensure that the needs of ratepayers are met and that the Company complies with existing law and the Commission's regulations.
- E. Supplier Master Agreement: The OCA will analyze the proposed SMA to ensure its compliance with the Public Utility Code, and to ensure that such a plan does no harm to default service, consumers, or the retail competitive market.
- F. Standard Offer Program: The OCA will examine the SOP and any costs likely to arise as a result to determine whether the program remains reasonable and cost-justified, whether it should continue or be modified, and whether costs are allocated appropriately among stakeholders.
- G. CAP and Default Service: The OCA will examine the Company's current CAP program and relationship with other default service provision in order to ensure that it continues to meet the needs of CAP customers, as well as ratepayers paying for CAP while maintaining compliance with existing law and the Commission's regulations.

The OCA anticipates that other issues may arise as its investigation in this matter continues. Therefore, the OCA specifically reserves the right to raise additional issues as this matter proceeds.

IV. SERVICE ON THE OCA

The OCA will be represented in this matter by Assistant Consumer Advocates Barret Sheridan and Andrew Zerby. Copies of all documents should be served on the OCA as follows:

Barrett C. Sheridan
Assistant Consumer Advocate
E-Mail: OCA2024PECODSP@paoca.org

Andrew J. Zerby
Assistant Consumer Advocate
E-Mail: OCA2024PECODSP@paoca.org

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V. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of its witnesses. The OCA's witnesses will present testimony in written form and will attach various exhibits, documents, and explanatory information to assist in the presentation of the OCA's case. In order to expedite the resolution of this matter, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to the OCA's witnesses at the addresses below as well as counsel for the OCA.

Retail Electric Default Service Procurement Methods,
Portfolio Construction, and Related Issues:

Serhan Ogur
Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, Maryland 21044
E-Mail: OCA2024PECODSP@paoca.org

Retail Market Rate Mechanism, Standard Offer Program,
Portfolio Procurement, CAP, Consumer Communications
Issues:

Barbara R. Alexander
Barbara Alexander Consulting, LLC
44 Beech St.
Hallowell, ME 04347
E-Mail: OCA2024PECODSP@paoca.org

The OCA specifically reserves the right to call additional witnesses, as necessary. At the time at which the OCA determines that additional witnesses are necessary for any portion of its case, the OCA will promptly notify ALJ Vero and Ashton and all parties of record.

VI. DISCOVERY

The OCA supports a shortened discovery response time in this proceeding. Accordingly, the OCA requests the following modifications to the discovery regulations:

- A. Answers to interrogatories be served in-hand within ten (10) days of service of the interrogatories.
- B. Objections to interrogatories be communicated orally within three (3) days of service; unresolved objections be served to the ALJ in writing within five (5) days of service of interrogatories.
- C. Motions to dismiss objections and/or direct the answering of interrogatories be filed within three (3) days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories be filed within three (3) days of service of such motions.

- E. Responses to requests for document production, entry for inspection, or other purposes be served in-hand within ten (10) calendar days.
- F. Requests for admission be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service.
- G. Discovery requests served after 4:30 p.m. Monday through Thursday or after 12:00 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VII. PUBLIC INPUT HEARINGS

The OCA has received no requests for public input hearings at this time. Should such a request be received, the OCA will promptly advise ALJs Vero and Ashton and the parties of same.

VIII. LITIGATION SCHEDULE

The OCA recommends adoption of the litigation schedule outlined below.

Event:	OCA Proposal
Non-Company Direct Testimony	April 25, 2024
Rebuttal Testimony	May 15, 2024
Surrebuttal Testimony	May 29, 2024
Oral Rejoinder & Hearings	June 4 & 5, 2024
Main Brief	June 21, 2024
Reply Brief	July 9, 2024
Recommended Decision	August 16, 2024
 Public Meeting Date	 October 10, 2024

IX. SETTLEMENT

The OCA will fully participate in settlement discussions with the parties at the appropriate time during this proceeding.

Respectfully Submitted,

/s/ Barrett C. Sheridan

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Dated: March 7, 2024