

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

**Re: General Rate Case for PECO Energy
Company**

**Public Meeting: April 23, 2015
2468981-TUS
Docket R-2015-2468981**

**JOINT STATEMENT OF
CHAIRMAN ROBERT F. POWELSON
AND COMMISSIONER GLADYS M. BROWN**

Before the Commission today is the Order suspending PECO Energy Company's (PECO) proposed general rate increase filing and instituting an investigation into PECO's request. We support suspending PECO's proposed tariff and we would like to direct several questions to the parties to be addressed during the litigation.

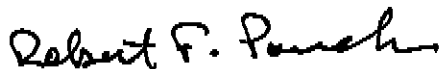
Specifically, we are interested in facilitating an on-the-record discussion regarding PECO's proposal to replace the Auxiliary Service Rider in its existing tariff with a new Capacity Reservation Rider (proposed rider). The proposed rider would apply to customers who maintain and operate distributed generation assets and, for those customers with generator capacity of greater than 100 kW and less than 10,000 kW, would require the reservation of distribution system capacity in an amount equal to the generator nameplate. The proposed rider also eliminates certain aspects of the existing Auxiliary Service Rider that relate to standby service and backup power. Additionally, PECO proposes to change its General Service (GS) rate for commercial and industrial customers so as to establish a minimum billing demand equal to 40% of the contract demand for customers with electric demand over 500 kW.

We recognize the general principle that customer rates should reflect cost causation and that distributed generation customers should pay their fair share of the cost of grid access and services. However, we also believe it is important to weigh any potential adverse effects the proposal may have on the economics of distributed generation investments, including but not limited to combined heat and power. This is of particular importance in the PECO service territory since it presently harbors the most economic potential for distributed generation investment in the Commonwealth. We therefore strongly urge the parties to address the following questions. Additionally, we also encourage the parties to provide information regarding ancillary issues not encompassed by the specific questions below.


1. How will the PECO proposal affect existing distributed generation customers, if at all?
2. Will the PECO proposal result in any cross-subsidies between those rate classes affected and those not affected?
3. To what extent, if any, will the proposal affect the economics of distributed generation in PECO's service territory?
4. Does the proposal fairly and equitably charge customers with historically reliable distributed generation systems? Could reliable customer generators end up being

“penalized?”

5. Does the capacity reservation proposal distinguish between planned and unplanned outages? Will the timing of the outage (e.g., scheduled outage during off-peak periods) have any rate implications for the customer?
6. What is the frequency of distribution system capacity reservations and what services and/or grid access are included in the customer’s capacity reservation?
7. How will the proposed rider differentiate between distributed generation customers who supplement their on-site generating capacity with distribution service and those who generate excess electricity and export to the grid?
8. Why is PECO proposing to eliminate the partial requirements rate aspects of the Auxiliary Service Rider (i.e., supplemental service, standby service, and backup power)?



Robert F. Powelson
Chairman



Gladys M. Brown
Commissioner

Date: April 23, 2015