



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

June 11, 2015

Rosemary Chiavetta
Pa. Public Utility Commission
2nd Floor, 400 North Street
P.O. Box 3265
Harrisburg, PA 17105

Re: Pennsylvania Public Utility Commission Bureau of Investigation and
Enforcement v. PECO Corporation; Docket No. C-2015-2479970

Dear Secretary Chiavetta:

Enclosed for filing is the Reply of the Bureau of Investigation and Enforcement to the New Matter of PECO Energy Company in the above-referenced case. Copies have been served on the parties of record in accordance with the Certificate of Service.

If you have any questions on this matter, please call me at 717-214-9594.

Sincerely,

Heidi L. Wushinske
Prosecuting Attorney
Attorney ID No. 93792

Enclosures

cc: As per Certificate of Service
Paul Metro, Gas Safety Chief

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement, :
Complainant :

v. :

Docket No. C-2015-2479970

PECO Energy Company, :
Respondent :

**REPLY OF THE BUREAU OF INVESTIGATION AND ENFORCEMENT TO
THE NEW MATTER OF PECO ENERGY COMPANY**

AND NOW comes the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Bureau of Investigation and Enforcement ("I&E") and files this Reply to the New Matter of PECO Energy Company ("PECO" or "Respondent"), pursuant to 52 Pa. Code § 5.63. In support thereof, I&E avers as follows:

1. Denied. I&E lacks sufficient knowledge to admit or deny the steps Respondent has taken to ensure this type of event will not repeat. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.

2. Denied. I&E lacks sufficient knowledge to admit or deny the corrective actions Respondent has taken to ensure this type of event will not repeat. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.

a. Denied. I&E lacks sufficient knowledge to admit or deny whether Respondent immediately suspended all scheduled uprating/conversion projections after the July 17, 2014 event. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.

b. Denied. I&E lacks sufficient knowledge to admit or deny the process Respondent has developed and implemented. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.

- c. Denied. I&E lacks sufficient knowledge to admit or deny whether Respondent has revised its training manual for pressure conversion projects. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.
- d. Denied. I&E lacks sufficient knowledge to admit or deny whether PECO has revised its standard for when non-standard services must be added to the Quad map and/or Procedure GO-PE-301-1001. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial. Moreover, I&E denies that the service at issue is a “non-standard service,” as this term is not defined in the Public Utility Code, regulations, or applicable provision of the Code of Federal Regulations.
- e. Denied. I&E lacks sufficient knowledge to admit or deny whether PECO is using an “air pressure test” method when raising low pressure systems to elevated pressure systems on all pressure conversions. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.
- f. Denied. I&E lacks sufficient knowledge to admit or deny what or whether PECO communicated in a meeting with all Gas employees. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.

3. Denied. I&E lacks sufficient knowledge to admit or deny how much PECO has spent to implement corrective actions or how much it expects to spend. To the extent a response is required, this allegation is denied. Strict proof is demanded at trial.

4. Admitted.

5. Admitted in part and denied in part. It is admitted that PECO met with members of the Gas Safety Division on October 30, 2014 and notified them of the findings and corrective actions stemming from the Root Cause Investigation (“RCI”). To the extent this paragraph implies that the Gas Safety Division approved or agreed with PECO’s assertions, this allegation is denied.

6. Denied. It is denied that the civil penalty requested by the Complaint is not supported by Commission precedent. The example cited by Respondent, *Pa PUC v. UGI*, Docket No. C-2012-2295974, involves a complaint that was issued in 2012, when the maximum civil penalty permitted under the Public Utility Code was \$500,000.00. Since that time, the maximum civil penalty for gas pipeline safety violations has been

raised to \$2,000,000.00. Therefore, the example cited by Respondent is inapplicable to this case. Furthermore, the civil penalty requested in this case is supported by the factors set forth in the Commission's Policy Statement for Litigated and Settled Proceedings Involving Violations of the Code and Commission Regulations ("Policy Statement"), 52 Pa. Code § 69.1201; *See also Joseph A. Rosi v. Bell-Atlantic-Pennsylvania, Inc.*, Docket No. C-00992409 (Order entered March 16, 2000).

WHEREFORE, for all the foregoing reasons, the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission respectfully requests that, after consideration of the record, the Office of Administrative Law Judge and the Commission deny PECO's New Matter and find PECO in violation of each and every count as set forth in the Complaint.

Respectfully submitted,



Heidi L. Wushinske
Prosecutor
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission

P.O. Box 3265
Harrisburg, PA 17105-3265

Date: June 11, 2015

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VERIFICATION

I, Terri Cooper Smith, Gas Safety Engineer of the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement ("I&E"), hereby state that the facts above set forth are true and correct to the best of my knowledge, information, and belief and that I expect that I&E will be able to prove the same at any 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.

Date: June, 2, 2018



Terri Cooper Smith
Gas Safety Engineer

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing Reply to New Matter in accordance with the requirements of 52 Pa. Code § 1.54 *et seq.* (relating to service by a participant).

Notification by first class mail addressed as follows:

Romulo L. Diaz, Jr., Esq.
Michael S. Swerling, Esq.
PECO Energy Company
Legal Department
2301 Market Street, S23-1
Philadelphia, PA 19101



Heidi L. Wushinske
Prosecutor
Attorney ID #93972
(Counsel for Pennsylvania Public Utility
Commission)

P.O. Box 3265
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Dated: June 11, 2015

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