

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 17, 2016

Honorable Christopher P. Pell  
Honorable Darlene Heep  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
801 Market Street, Suite 4063  
Philadelphia, PA 19107

Re: Petition of PECO Energy Company (Electric  
Operations) for Approval to Establish a  
Distribution System Improvement Charge  
Docket No. P-2015-2471423

Dear Secretary Chiavetta:

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

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Erin L. Gannon

Erin L. Gannon  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 83487  
E-Mail: EGannon@paoca.org

Attachment

cc: Rosemary Chiavetta, Secretary  
Certificate of Service

221171

CERTIFICATE OF SERVICE

Re: Petition of PECO Energy Company :  
(Electric Operations) for Approval of :  
a Distribution System Improvement : Docket No. P-2015-2471423  
Charge :

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 17th day of May 2016

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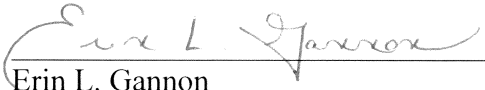
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221183

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company - Electric :  
For Approval of a Distribution System : Docket No. P-2015-2471423  
Improvement Charge :

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. § 333 and the Prehearing Conference Order issued by Administrative Law Judges Christopher P. Pell and Darlene Heep on May 2, 2016, the Office of Consumer Advocate (OCA) provides the following.

**I. BACKGROUND**

On March 27, 2015, PECO Energy Company (PECO or Company) filed a Petition for approval of a Long Term Infrastructure Improvement Plan (LTIIIP) and Distribution System Improvement Charge (DSIC) for its Electric Operations pursuant to Sections 1352 and 1353 of the Public Utility Code, 66 Pa. C.S. §§ 1352, 1353. On April 10, 2015, the OCA filed a Formal Complaint and an Answer to PECO's DSIC Petition. The OCA filed Comments to the LTIIIP on April 16, 2015. The Philadelphia Area Industrial Energy Users Group (PAIEUG) and Office of Small Business Advocate (OSBA) filed Notices of Intervention on April 15 and 16, respectively. By Order entered October 22, 2015, the Public Utility Commission (Commission) approved PPL's LTIIIP and proposed DSIC, subject to recoupment and/or refund pending final resolution of certain issues raised in the parties' Petitions and Answers. The October 22, 2015 Order did

not address the OCA's pending Formal Complaint, which is assigned Docket No. C-2015-2476587.

The OCA now files this Prehearing Memorandum to set forth the procedure and issues that the OCA believes are relevant to this proceeding.

## **II. ISSUES**

In its October 22, 2015 Order, the Commission directed that the following issues be assigned to the OALJ for hearing and preparation of a Recommended Decision:

1. Whether customers taking service at transmission voltage rates should be included under the DSIC charge and
2. If revenues associated with the riders in PECO's tariff are properly included as distribution revenues.

The OCA also reserves the right to raise additional issues as discovery and review of additional Company testimony continues.

## **III. WITNESSES**

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of Jerome D. Mierzwa regarding the accounting and policy issues identified above. Mr. Mierzwa will present testimony in written form and will also attach various exhibits, documents, and explanatory information, which will assist in the presentation of the OCA's case.

His contact information is as follows:

Jerome D. Mierzwa  
Exeter Associates, Inc.  
10480 Little Patuxent Parkway, Ste. 300  
Columbia, MD 21044  
Telephone: (410) 992-7500  
Email: [jmierzwa@exeterassociates.com](mailto:jmierzwa@exeterassociates.com)

The OCA specifically reserves the right to call additional witnesses and to expand the issues addressed in testimony, as necessary. If the OCA determines that an additional witness is necessary for any portion of its case, it will notify the ALJ and all parties of record immediately.

#### **IV. DISCOVERY**

The changes proposed in PECO's Prehearing Memorandum are acceptable to the OCA.

#### **V. SERVICE ON THE OCA**

The OCA will be represented in this proceeding by Senior Assistant Consumer Advocates Erin L. Gannon. Two copies of all documents should be served on the OCA as follows:

Erin L. Gannon  
Senior Assistant Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street, Forum Place 5th Floor  
Harrisburg, PA 17101-1923  
Telephone: (717) 783-5048  
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Email: [EGannon@paoca.org](mailto:EGannon@paoca.org)

#### **VI. PROPOSED SCHEDULE**

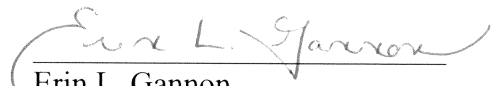
The OCA will work with the parties to develop a litigation schedule that is acceptable to the Presiding Officers and parties. The OCA is amenable to a delay in setting the schedule, as proposed in PECO's prehearing memorandum.

#### **VII. CONSOLIDATION OF THE OCA'S FORMAL COMPLAINT**

The Commission did not address the OCA's pending Formal Complaint, in its October 22, 2015 Order. The OCA filed a Formal Complaint to ensure that the Company's proposed DSIC tariff and DSIC rate do not result in rates and charges that are excessive, discriminatory or

otherwise contrary to the law, Commission regulations or policy. The OCA also stated in its complaint that the DSIC and initial tariff should be modified if it is not found to be in compliance with Sections 1351, 1353, 1357 and 1358 of the Public Utility Code. The OCA notes that its Formal Complaint has been captioned with the DSIC proceeding. The OCA supports consolidation of the two proceedings to avoid unnecessary duplication of administrative resources and financial costs associated with litigating the proceedings separately.

Respectfully Submitted,



Erin L. Gannon  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 83487  
E-Mail: [EGannon@paoca.org](mailto:EGannon@paoca.org)

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DATED: May 17, 2016  
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