



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

IN REPLY PLEASE
REFER TO OUR FILE

March 22, 2017

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 Energy Company; Docket No. C-2015-2511928

Dear Secretary Chiavetta:

The Bureau of Investigation and Enforcement encloses for filing its prehearing conference memorandum. 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,

A handwritten signature in blue ink that reads "Heidi L. Wushinske". The signature is written in a cursive style.

Heidi L. Wushinske
Senior Prosecutor
PA Attorney ID No. 93792

Enclosures

cc: As per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2015-2511928
	:	
PECO Energy Company,	:	
Respondent	:	

**PREHEARING CONFERENCE MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE CHRISTOPHER P. PELL:

Pursuant to the Prehearing Conference Order issued by the Honorable Christopher P. Pell on February 14, 2017, the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission files this initial prehearing conference memorandum.

A. Proposed Plan and Schedule of Discovery

I&E does not anticipate the need for further discovery as the parties have already engaged in extensive discovery.

B. Possible Settlement

The parties have engaged in numerous settlement discussions. While these negotiations have not resulted in a resolution to date, the parties have been making progress. I&E believes that settlement is still possible in this matter. In the event that settlement cannot be reached, I&E is prepared to fully litigate this matter.

C. Issues

The issues in this case are as follows:

1. Do gas distribution and transmission pipelines operated prior to July 1, 1970, that were not pressure tested after July 1, 1965, and for which operating pressure for the five years preceding July 1, 1970, cannot be documented, need to be pressure tested or uprated to establish a maximum allowable operating pressure (“MAOP”) for the pipeline in accordance with the requirements of 49 C.F.R. §192.619?
2. Did PECO fail to establish the MAOP for its medium pressure gas distribution systems by not providing one of the following: operating pressure records for the five years preceding July 1, 1970; evidence that the MAOP was established via pressure testing; evidence that the MAOP was established via uprating?
3. Did PECO violate federal regulations, found in 49 C.F.R. §192.201, by assuming a MAOP for its medium pressure regulator stations and not properly accounting for build-up and pipe losses when determining regulator set-points and capacity for 72 of its 115 medium pressure regulator stations?
4. Did PECO violate federal regulations, found in 49 C.F.R. §192.605, by not having proper procedures in place regarding its MAOP verification, regulator station maintenance, regulator station design, or relief capacity review?
5. Did PECO violate federal regulations, found in 49 C.F.R. §192.739, by not showing its calculations for relief capacity or adequate reliability for all of its 115 medium pressure regulator stations?
6. Did PECO violate federal regulations, found in 49 C.F.R. §192.743, when its review did not take into account build-up and pipe losses or track the annual review of the relief capacity at Station 17.
7. Did PECO violate federal regulations, found in 49 C.F.R. §192.203, by failing to install blowdown valves on its regulator sets?

D. Amount of hearing time needed

I&E proposes that two days of in-person hearing time should be sufficient in this case.

E. Witnesses

I&E intends to call the following witnesses:

Terri Cooper Smith
Gas Safety Inspector
Bureau of Investigation and Enforcement

Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
717-315-1481

Paul J. Metro
Manager, Pipeline Safety
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
717-787-1063

Chris McLaren
Transportation Specialist
State Programs Division
U.S. Department of Transportation
Pipeline & Hazardous Materials Safety Administration
Office of Pipeline Safety
East Building, Room E22-321
1200 New Jersey Avenue
Washington, D.C. 20590
713-840-0829

I&E reserves the right to call additional witnesses, as necessary, and will notify Your Honor and all parties of record.

F. Proposed schedule for submission of testimony, hearings and briefs

Prehearing Conference:	March 28, 2017
I&E prepared direct testimony:	August 29, 2017
PECO rebuttal testimony:	November 29, 2017
I&E surrebuttal testimony:	January 19, 2018
Hearings:	February 27 and February 28, 2018
Close of the Record:	February 29, 2018
Main Briefs:	April 17, 2018
Reply Briefs:	May 29, 2018

I&E reserves the right to update its responses contained in this Prehearing Conference Memorandum.

Respectfully submitted,



Heidi L. Wushinske
Senior Prosecutor
PA Attorney ID No. 93792

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 214-9594

Dated: March 22, 2017

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

v.

PECO Energy Company,
Respondent

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: Docket No. C-2015-2511928
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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving the foregoing prehearing conference memorandum 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:

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

Michael S. Swelrling, Esq.
Romulo L. Diaz, Esq.
PECO Energy Company
2301 Market Street
Legal Dept. S23-1
Philadelphia, PA 19103



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Dated: March 22, 2017