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August 9, 2018

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**Re: Patti Lynn Caesar v. PECO Energy Company**  
**Docket No. C-2017-2605462**

Dear Secretary Chiavetta:

*PECO's Reply to Objection to PECO's Motion to Admit Counsel Watson Pro Hac Vice* is attached for filing.

Very truly yours,



Ward L. Smith  
Counsel for PECO Energy Company

WS/adz  
Enclosures

c: Honorable Darlene D. Heep, ALJ  
Certificate of Service

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Patti Lynn Caesar :  
 :  
 v. : Docket No. C-2017-2605462  
 :  
 PECO Energy Company :

CERTIFICATE OF SERVICE

I, Ward L. Smith hereby certify that on August 9, 2018, I served a copy of PECO Energy Company's *Reply to Objection to PECO's Motion to Admit Counsel Watson Pro Hac Vice*, in the above matter, upon all interested parties via email and overnight delivery to:

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Dated: August 9, 2018



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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Patti Lynn Caesar**

**v**

**PECO Energy Company**

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**C-2017-2605462**

**Reply of PECO Energy Company  
To  
Objection to PECO's Motion to Admit Counsel Watson *Pro Hac Vice***

**Reply of PECO Energy Company  
To  
Objection to PECO's Motion to Admit Counsel (Watson) *Pro Hac Vice***

**Introduction**

On July 16, 2018, PECO filed its Motion to Admit Thomas Carl Watson *pro hac vice* in this matter. *Pro hac vice* motions, especially at administrative agencies, are typically non-controversial requests that are granted without objection.<sup>1</sup> However, on August 6, 2018, Ms. Caesar filed and served her Objection to PECO's Motion. PECO hereby responds to the Ms. Caesar's Objection.

Ms. Caesar's primary objection to *pro hac vice* admission is that she believes that over the past several years Mr. Watson has appeared in Commission proceedings with sufficient frequency that he is now engaged in the practice of law in Pennsylvania. From this premise, she concludes that his *pro hac vice* admission in this proceeding should be denied and that, as a remedy, the testimony of two witnesses who were questioned by Mr. Watson – Dr. Davis and Dr. Israel -- should be stricken from the record.

Ms. Caesar is incorrect on all counts. First, her premise is wrong; the nature and extent of Mr. Watson's appearances are well within the normal bounds of appearances that are appropriate for *pro hac vice* admission. He has appeared in a series of cases on behalf of one client, in front of one Administrative Law Judge, on a limited issue in which he has special expertise, under the close supervision of an experienced Pennsylvania regulatory attorney.

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<sup>1</sup> See ABA Model Rule on Pro Hac Vice Admissions, Comment 1: "Courts in all American jurisdictions regularly admit lawyers from other jurisdictions to appear as counsel *pro hac vice*. Such admission has been almost a matter of course when sought in conjunction with locally admitted counsel." See also, ABA Model Rule, Drafter's Note 1: "In one form or another, *pro hac vice* practice is ubiquitous in American courts. . . . Extension to administrative agencies of authority to admit *pro hac vice* is novel, though lawyers do not need such admission before federal agencies, and such agencies may have authority to admit lay practitioners."

Second, Ms. Caesar's proposed remedy is wrong. Even if the frequency of an attorney's appearances exceeds the boundaries of *pro hac vice* admission, the remedy is to require that attorney to apply to become a member of the Pennsylvania bar, not to exclude the attorney's appearance or to strike testimony of witnesses.

PECO completes its analysis of this issue by discussing the timing of its Motion.

### **Legal Standard for *Pro Hac Vice* Motions**

Pennsylvania Rule of Civil Procedure 1012.1 states that motions for admission *pro hac vice* are presumptively to be granted, absent "good cause for denial."<sup>2</sup> The Official Note to Rule 1012.1 provides eight examples of potential grounds for good cause denial. In their Objection, Ms. Caesar specifically states (p. 5) that her objection is based on the fifth potential ground:

(5) the candidate is, in effect, practicing as a Pennsylvania attorney, in light of the nature and extent of the activities of the candidate in the Commonwealth, without complying with the Pennsylvania requirements for the admission to the bar. The court may weigh the number of other admissions to practice sought and/or obtained by the candidate from Pennsylvania courts, the question of whether or not the candidate maintains an office in Pennsylvania although the candidate is not admitted to practice in Pennsylvania courts, and other relevant factors.

### **The Nature and Extent of Mr. Watson's Appearances in Pennsylvania Do Not Constitute Practice as a Pennsylvania Attorney**

Ms. Caesar's primary argument (Objection, p. 4) is that Mr. Watson's *pro hac vice* representations in other cases "is the equivalent of including attorneys who are practicing law without a PA license in those sensitive cases."

A recent Order issued by Administrative Law Judge Long regarding the *pro hac vice* admission of Mr. James Finnegan of the Environmental Defense Fund in Metropolitan Edison's

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<sup>2</sup> Pa. Rule of Civil Procedure 1012.1, which sets forth the rules for *pro hac vice* motions, states in subpart (e): "The court shall grant the motion unless the court, in its discretion, finds good cause for denial." The Explanatory Note to subdivision (e) states (emphasis added): "Subdivision (e) provides that the court *must grant* the motion for admission *pro hac vice* unless it finds good cause for denial."

recent base rate proceeding demonstrates rather powerfully that the nature and extent of Mr. Watson's work does not warrant denial of PECO's *pro hac vice* Motion. *Pennsylvania Public Utility Commission v Metropolitan Edison Company*, R-2016-2537349 (*Order Granting Admission Pro Hac Vice*, July 13, 2016).

In *Metropolitan Edison*, Mr. Finnigan's *pro hac vice* Motion<sup>3</sup> stated that, in the 21 months prior to filing the *pro hac vice* Motion in that case<sup>4</sup>, he had appeared in 11 Commission proceedings. Review of Mr. Finnigan's *pro hac vice* Motion reveals that six of those 11 cases were base rate proceedings, which necessarily involve multiple parties' examination of all policy, financial, ratemaking, and operational aspects of a utility. Five of those 11 cases dealt with Long-Term Infrastructure Improvement Plans and Distribution Service Improvement Charges, which necessarily involve a company's long-term plans for improving its distribution system, as well as the question of who will pay for those improvements. In all 11 cases, therefore, the scope of issues was extremely broad.

Moreover, Mr. Finnegan's Motion demonstrates that his 11 prior *pro hac vice* appearances cases involved seven different utilities (Metropolitan Edison, PECO Energy, Pennsylvania Electric, Pennsylvania Power, Philadelphia Gas Works, PPL Electric, and West Penn Power) that geographically span the Commonwealth from east to west. Review of the dockets in those cases further reveals that, in those 11 cases, he appeared before seven different administrative law judges. (ALJ's Buckley and Dunderdale in the 2014 base rate cases of

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<sup>3</sup> Mr. Finnigan's *pro hac vice* Motion was filed on June 30, 2016 and is available on the Commission's website. <http://www.puc.state.pa.us/pcdocs/1455498.pdf>.

<sup>4</sup> Mr. Finnigan's first request for *pro hac vice* admission, in the 2014 West Penn base rate case, was filed on October 3, 2014. See <http://www.puc.state.pa.us/pcdocs/1317237.pdf>. His request for admission in *Metropolitan Edison*, which was the subject of ALJ Long's Order, was filed about 21 months later, on June 30, 2016. ALJ Long was thus evaluating Mr. Finnigan's appearances over the prior 21 months.

MetEd, Penelec, Penn Power, and West Penn; ALJ Jones in the 2015 PECO base rate case; ALJ Colwell in the 2015 PPL base rate case; ALJ's Pell and Guhl in the 2015 PGW DSIC case, and ALJ Cheskis in the 2016 western DSIC cases).

By virtue of the *pro hac vice* Motion to admit Mr. Finnigan, ALJ Long reviewed the nature and the extent of Mr. Finnigan's prior *pro hac vice* representations to determine whether they had exceeded the acceptable nature and extent that would warrant denial of the request for *pro hac vice* admission in the case before her. In less than two years, Mr. Finnigan had appeared in 11 major cases, including six base rate cases, appearing before seven different judges in cases involving seven utilities covering the entire state, and *ALJ Long nonetheless admitted Mr. Finnigan to appear pro hac vice in yet another major base rate case*. She stated:

While this participation lends itself to the conclusion that Attorney Finnigan has become familiar with the procedural rules of the Commission, it also calls into question the continued propriety of granting Attorney Finnigan *pro hac vice* admission. Pennsylvania Bar Rule [301], provides that an out-of-state attorney may be "*speciallly* admitted to the bar of this Commonwealth for purposes *limited to a particular case*." The rule is not intended to permit a practitioner who intends to practice in the Commonwealth on a regular basis to avoid admission to the Pennsylvania Bar. Indeed, the Pennsylvania Rules of Civil Procedure note that a court may deny a motion for admission *pro hac vice* where "the candidate is, in effect, practicing as a Pennsylvania attorney, in light of the nature and extent of the activities of the candidate in the Commonwealth . . . ." While I will grant the petition to allow Attorney Finnigan's admission *pro hac vice* in this matter, he is strongly urged to seek admission to the Pennsylvania Bar, and on notice that future petitions may not be granted.

*Pennsylvania Public Utility Commission v Metropolitan Edison Company*, R-2016-2537349  
(*Order Granting Admission Pro Hac Vice*, July 13, 2016) (footnotes omitted, emphasis added).

By comparison, in the 21 months prior to the Caesar proceeding,<sup>5</sup> Mr. Watson appeared *pro hac vice* in approximately 10 cases (less if the omnibus hearings in the *Sunstein Murphy*, *Povacz*, and *Randall-Albrecht* matters are counted as one appearance, rather than three). He

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<sup>5</sup> The Caesar hearing took place in February 2018. The 21-month "lookback period" for comparison to the MetEd/Finnigan *pro hac vice* analysis is thus to approximately June 2016.

appeared on behalf of one utility<sup>6</sup> – PECO – on a single, limited, subject matter in which he has special expertise. During that period, he appeared before a single ALJ – Your Honor.<sup>7</sup> He was closely supervised by an experienced Pennsylvania regulatory attorney (Mr. Smith), who himself appeared at every moment of every hearing and clearly filled the role of lead counsel for PECO, and who closely supervised Mr. Watson’s appearances.

Mr. Finnigan was admitted *pro hac vice* even though the nature and scope of his prior *pro hac vice* representations was quite broad and deep; the lesson of Judge Long’s *Metropolitan Edison Order* is that the nature and extent of Mr. Watson’s *pro hac vice* appearances over the last several years falls well within the bounds that are appropriate for continued *pro hac vice* admission.

In her Objection, Ms. Caesar refers (p. 5) to a recently-enacted Arkansas rule that *pro hac vice* admissions will not be allowed in Arkansas if the out-of-state counsel had three *pro hac vice* admissions in the prior twelve months. That is simply not the rule in Pennsylvania, nor is it the practice before the Commission. ALJ Long’s *Metropolitan Edison* opinion is a much better guide to Pennsylvania law and Commission practice.

PECO further notes that recent Commission jurisprudence provides extremely targeted, on-point, guidance on this issue. Mr. Watson’s partner, Mr. Renner, is assisting PPL with its AMI/health cases. He sought *pro hac vice* admission in those cases, including *Willard and Elsbeth Sunstein v PPL Electric Utilities Corporation*, C-2018-3000078. In the *Sunstein*

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<sup>6</sup> Ms. Caesar claims (p. 3), without proof or citation, that Mr. Watson has also appeared in “other cases too numerous to mention.” This is simply untrue. Since the seminal *Kreider Order* in January 2016, Mr. Watson has not sought *pro hac vice* admission in any cases other than his appearances on behalf of PECO in front of Your Honor. He has not sought *pro hac vice* admission in any of the PPL AMI/health cases. See PECO’s Motion and attached Verified Statements.

<sup>7</sup> Two, if ALJ Pell’s early participation in the PECO cases is counted.

proceeding, the Complainants filed an objection<sup>8</sup> to his admission *pro hac vice* on grounds nearly identical to those pled by the McKnights. The Sunsteins argued (p. 20):

In addition, on the basis of the perhaps partial list of already 14 cases Mr. Renner has appeared or is scheduled to appear in, on the basis of those numerous cases, attorney Renner is already guilty, in fact, or practicing law in without a Pennsylvania license in the Commonwealth of Pennsylvania. This is clearly prohibited by the laws of the Pennsylvania Supreme Court, and his entry into our PA PUC case *pro hac vice* should be denied.

ALJ Barnes initially granted Mr. Renner's *pro hac vice* admission on a *pro forma* basis, and the Sunsteins then posed the objection set forth above. In her *Second Interim Order*, ALJ Barnes re-affirmed her grant of his *pro hac vice* admission, stating:

Mr. Renner has 29 years' experience practicing law and is a Partner in the Washington, D.C. law firm of Watson & Renner. He has been a member in good standing of the Bar of the District of Columbia since 1995. Mr. Renner has appeared before the Commission in numerous proceedings including cases involving complaints against Respondent similar to the instant complaint. Second, Attorney Ryan is already licensed to practice law in the Commonwealth and has been a member in good standing of the Pennsylvania Bar since 2013. He may enter an appearance and may move for the admission *pro hac vice* of Attorney Renner. 52 Pa. Code §§ 1.22(a), 1.24. There is insufficient evidence to show Attorney Ryan is incapable of supervising Attorney Renner in this proceeding.

*Sunstein v PPL, C-3000078 (Second Interim Order, June 19, 2018).*

It is difficult to conceive of guidance that could be any more on-point. Simply, the law in Pennsylvania is that, for the type of specialized practice engaged in by Mr. Watson (and Mr. Renner), when they appear under the supervision of members in good standing of the Pennsylvania bar, then sequential *pro hac vice* admission is an accepted form for their representation.

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<sup>8</sup> Sunstein "Reply to Motion of PPL lawyer, Devin Ryan, which he filed with the PA PUC on April 23, 2018, for Pro Hac Vice admission of Curtis S. Renner, Esq.," filed by the Sunstein's in Docket C-300078 on May 11, 2018.

Finally, PECO notes that Ms. Caesar did not even attempt to demonstrate that the nature and extent of Mr. Watson's *pro hac vice* appearances caused her to suffer any prejudice in her case. Her argument is that the Pennsylvania court system has a right to oversee lawyers practicing in the state, and she asserts that Mr. Watson's *pro hac vice* admission denies the state that right. She draws no connection between that assertion and any prejudicial effect in her docket. Nor could she do so. Your Honor exercised oversight of Mr. Watson in each of his appearances and is well aware that his appearances have contributed to orderly practice in those proceedings, including the instant proceeding – there has been no prejudice.

### **Requested Remedy**

In her Objection (p. 6), Ms. Caesar asks that PECO's Motion be denied. In her Main Brief (p. 25), Ms. McKnight expands on that request and states that "Watson's presence and support of testimony by two experts is illegal and the testimony of Dr. Israel and Dr. Davis should be disallowed."

That is not a proper remedy. Even if Ms. Caesar was correct in her arguments regarding the nature and extent of Mr. Watson's practice, there would be no consequence on the testimony of Dr. Davis or Dr. Israel.

In the more extreme case of *Metropolitan Edison*, ALJ Long described the proper remedy to a claim that the nature and extent of an attorney's representations are beyond the extent allowable for *pro hac vice* admissions: Recommend that the candidate should consider applying to become a member of the Pennsylvania bar, but nonetheless admit the candidate *pro hac vice* in the instant proceeding. As noted above, the instant case is not as extreme as *Metropolitan Edison*, but even if it was, and even if Your Honor deemed it necessary to recommend that Mr.

Watson should become a member of the Pennsylvania bar, would still have been admitted *pro hac vice* in the instant proceeding.

Moreover, even if Mr. Watson had not been available for hearing – if he had been sick on the day of hearing, for example – Dr. Davis and Dr. Israel would still have appeared as witnesses and been asked the same questions by other counsel, probably Mr. Smith. Their appearance as witnesses was not tied to whether Mr. Watson was admitted *pro hac vice* or was even present in the room.<sup>9</sup>

In sum, no remedy is needed in this case because Mr. Watson’s appearances are of a nature and extent that is compatible with continued *pro hac vice* admission. However, if Your Honor believes that the nature and extent of his admissions are becoming comparable to the practice of law in Pennsylvania, then the proper remedy, consistent with ALJ Long’s Order in *Metropolitan Edison*, is to admit him *pro hac vice* in this docket and recommend that he consider becoming a member of the Pennsylvania bar.

#### **Timing of PECO’s Motion**

PECO acknowledged in its *pro hac vice* Motion that, due to inadvertence and oversight, it did not file its Motion prior to hearing. Ms. Caesar (p. 2) quotes Rule 301, which states that *pro hac vice* Motions are to be made at least three days prior to hearing, and then argues that PECO’s Motion did not meet this deadline.

PECO acknowledged that it filed its Motion late. That is not automatic grounds to deny the Motion. Rather, in order to provide grounds to deny PECO’s Motion, Ms. Caesar must show that the timing of PECO filing caused prejudice – and she did not make such a showing. Ms.

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<sup>9</sup> PECO also notes the obvious: Witnesses are not subject to *pro hac vice* admission. They are subject to recognition as experts – and both Dr. Davis and Dr. Israel were so recognized. Apr 13 Tr. 18 (Davis); Apr 13 Tr. 189 (Israel).

Caesar's objection is based on the theory that the nature and extent of Mr. Watson's representation constitutes the practice of law in Pennsylvania. Ms. Caesar did not demonstrate that she is prejudiced by discussing that theory now, rather than three days prior to the hearing.

PECO also notes that, for Motions that have substantive content, litigants are typically given 20 days to respond. *See, for example*, 52 Pa. Code §5.61. The fact that *pro hac vice* motions have a standard reply period of three days is further proof that they are generally considered to be a non-consequential request that is typically granted on a *pro forma* basis.

In its Motion, PECO noted that the Pennsylvania courts have granted late-filed *pro hac vice* motions, stating (§ 10):

Pennsylvania courts and the Commission have allowed *pro hac vice* admission to occur late in the litigation process, sometimes referring to this as admission on a *nunc pro tunc* basis. For example, the Philadelphia Court of Common Pleas has a standard form for filing *nunc pro tunc* motions; and a Motion *pro hac vice* is included on that form list as one of the motions that may be so filed. *See* <https://www.courts.phila.gov/pdf/forms/civil/Motion-to-File-Nunc-Pro-Tunc.pdf>. *See also Varner v Roberts*, 1988 Pa. Dist. & Cnty. Dec. LEXIS 274 (Complaint filed by out-of-state attorney who was not admitted *pro hac vice* was amendable by later filing). In a 2006 Duquesne Light base rate case, the Commission's granted all motions for *pro hac vice* admission *nunc pro tunc* in the Order accepting a settlement and closing the docket. *See PaPUC v Duquesne Light Company*, R-0061346 (December 1, 2006) (Ordering Paragraph 2: "That all motions *pro hac vice* are granted *nunc pro tunc*."

Ms. Caesar did not respond to any of the cases and procedures cited by PECO. However, she does discuss the Ohio case of *Hadley v Pike*, 2014 WL 3744717 (Ohio Ct. of Appeals 2014), which she claims to stand for the proposition that "if a lawyer is not admitted *pro hac vice*, whatever the lawyer did gets thrown out, even if the lawyer is subsequently admitted *pro hac vice*."

As to *Varner*, the McKnights state that "the *pro hac vice* occurred on November 2, 1987 before the arguments were heard December 17, 1987, and the late filing was with respect to preliminary objections." The McKnights then refer to the Ohio case of *Hadley v Pike*, 2014 WL

3744717 (Ohio Ct. of Appeals 2014) for the proposition that: “Similar cases in other states have been questions up to high courts and have resulted in invalidated judgments. See [*Hadley*], where a Pennsylvania lawyer applied for *pro hac vice* in Ohio two weeks late.”

The Ohio court’s decision in *Hadley* is best understood by reading it together with the Pennsylvania court’s decision in *Varner*. In both cases, an out-of-state attorney filed a complaint prior to being admitted *pro hac vice*. In both cases, the court had to decide (1) whether to admit the attorney *pro hac vice*, even though he had filed late; and (2) the procedural effects of the attorney having made a substantive filing prior to *pro hac vice* admission.

In *Varner*, the Pennsylvania court answered the first question by admitting the attorney *pro hac vice* notwithstanding his late filing for *pro hac vice* admission. Similarly, in *Hadley*, the complaint was filed in October 2013, the attorney’s *pro hac vice* Motion was filed in November 2013, and the Ohio trial court admitted the attorney *pro hac vice* on December 26, 2013. In both jurisdictions, therefore, the outcome on the first question was to admit the *pro hac vice* candidate notwithstanding a late-filed motion.

The two courts differed as to the consequences of the late filing. In *Hadley*, the Ohio appeals court held that, since the attorney had not been admitted *pro hac vice* on the date he filed the complaint, the action should be dismissed. (But the appeals court did not reverse the *pro hac vice* admission.) In *Varner*, the Pennsylvania court allowed the complaint to stand, even though it had been filed prior to the grant of *pro hac vice* status. That outcome could only have occurred if, as a matter of Pennsylvania law, late filing of a *pro hac vice* Motion is not considered to be inherently prejudicial.

## Reopening the Record

In the closing section of her Objection (p. 6), Ms. Caesar also discusses the closing of the record, and states that: “The record should have been closed at the conclusion of my hearing. . . . It is NOT fair to you to allow peco to reopen the record to admit Watson pro hac vice in my case.”

The simple answer is this: Ms. Caesar is conflating the “record” and the “docket.” The “record” refers to the evidentiary record – testimony, exhibits, etc. The “docket” refers to the list kept by the Commission of each event in the proceeding as a whole, including all preliminary pleadings, the creation and existence of the evidentiary record, briefs and other filings made after the evidentiary record has been developed and closed, orders, initial and recommended decisions, exceptions, etc. The *record* closes when the evidentiary portion of the proceeding is completed. (This can occur at the end of the hearing. However, often Initial Decisions and Commission Orders will note that the record in a specific docket closed upon the filing of the last Reply Brief.) The *docket* remains open until the Commission issues a final Opinion and Order (or Final Order), which can be many months after the record is closed.

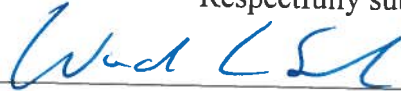
In PECO’s Motion (¶9) it noted that *the docket* in this proceeding is still open. Procedural matters, such as its *pro hac vice* Motion, can thus still be addressed.

Ms. Caesar discussed the rules for reopening *the record*. PECO is not seeking to reopen the evidentiary record, and Ms. Caesar’s entire discussion is thus irrelevant to PECO’s request.

**Conclusion**

Ms. Caesar did not demonstrate good cause for denial of PECO's Motion to Admit Counsel *Pro Hac Vice*, and PECO therefore respectfully requests that Your Honor grant its Motion.

Respectfully submitted,



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