



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Charis Mincavage
Direct Dial: 717.237.5437
Direct Fax: 717.260.1725
cmincavage@mcneeslaw.com

November 5, 2020

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

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. PECO Energy Company;
Docket No. R-2020-3018929**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of the Philadelphia Area Industrial Energy Users Group ("PAIEUG") in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to these proceedings are being duly served via email only due to the current COVID-19 pandemic. Upon lifting of the aforementioned Emergency Order, we can provide parties with a hard copy.

Very truly yours,

McNEES WALLACE & NURICK LLC

A handwritten signature in black ink that reads 'Charis Mincavage' in a cursive script.

By
Charis Mincavage

Counsel to the Philadelphia Area Industrial Energy Users Group

Enclosures

c: Deputy Chief Administrative Law Judge Christopher P. Pell (via E-Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA E-MAIL

Anthony E. Gay, Esq.
Jack R. Garfinkle, Esq.
Brandon J. Pierce, Esq.
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101
anthony.gay@exeloncorp.com
jack.garfinkle@exeloncorp.com
brandon.pierce@exeloncorp.com
Counsel for PECO Energy Company

Elizabeth R. Marx, Esq.
John W. Sweet, Esq.
Ria M. Pereira, Esq.
pulp@palegalaid.net
118 Locust Street
Harrisburg, PA 17101
Counsel for CAUSE-PA

Phillip Demanchick, Esq.
Christy Appleby, Esq.
Barrett Sheridan, Esq.
Darryl Lawrence, Esq.
Laura J. Antinucci, Esq.
Office of Consumer Advocate
555 Walnut Street 5th Floor
Forum Place
Harrisburg, PA 17101
pdemanchick@paoca.org
cappleby@paoca.org
bsheridan@paoca.org
DLawrence@paoca.org
lantinucci@paoca.org

Kenneth M. Kulak, Esq.
Mark A. Lazaroff, Esq.
Catherine G. Vasudevan, Esq.
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103
ken.kulak@morganlewis.com
mark.lazaroff@morganlewis.com
catherine.vasudevan@morganlewis.com
Counsel for PECO Energy Company

Scott B. Granger Esq.
PA PUC Bureau of Investigation & Enforcement
Second Floor West
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov

Steven C. Gray, Esq.
Office Small Business Advocate
555 Walnut St 1st Floor
Forum Place
Harrisburg, PA 17101
sgray@pa.org



Charis Mincavage

Counsel to the Philadelphia Area Industrial
Energy Users Group

Dated this 5th day of November, 2020, in Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2020-3018929
	:	
PECO Energy Company	:	

**PREHEARING MEMORANDUM
OF THE PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP**

As requested by Deputy Chief Administrative Law Judge (“ALJ”) Christopher P. Pell in the Prehearing Conference Order dated October 29, 2020, the Philadelphia Area Industrial Energy Users Group (“PAIEUG”) hereby submits this Prehearing Memorandum.

I. HISTORY OF THE PROCEEDING

On September 30, 2020, PECO Energy Company (“PECO” or “Company”) filed with the Pennsylvania Public Utility Commission (“PUC” or “Commission”) proposed Tariff Gas – Pa. P.U.C. No. 4 (“Tariff No. 4”), which requests a general rate increase of approximately \$68.7 million over its present annual revenues proposed to become effective on November 29, 2020. PECO’s filing included the Direct Testimony of several witnesses, responses to filing requirements and documentation regarding the Company’s proposals.

On October 29, 2020, the Commission suspended PECO’s proposed Tariff No. 4 by operation of law until June 29, 2021, and instituted an investigation into the Company’s proposed Tariff No. 4.

Concurrent with the filing of this Prehearing Memorandum, PAIEUG is also submitting a Complaint in this proceeding. A description of PAIEUG is set forth in Paragraph 5 of

PAIEUG's Complaint. A Prehearing Conference has been scheduled in this proceeding for November 9, 2020.

II. IDENTIFICATION OF LEAD ATTORNEY

For purposes of the Prehearing Conference, Charis Mincavage will speak as the lead attorney on behalf of PAIEUG.

III. ANTICIPATED ISSUES AND SUB-ISSUES

PAIEUG's preliminary review of the Company's filing indicates a need for Commission investigation into at least the following issues:

- a) whether the size of the requested rate increase is appropriate;
- b) whether the expenses claimed by PECO were prudently incurred;
- c) whether the allocation of the proposed increase among customer classes is just, reasonable and non-discriminatory;
- d) whether the Return on Equity ("ROE") proposed by the PECO results in a fair Rate of Return ("ROR");
- e) whether the rate design and rate structure proposed by PECO are appropriate; and
- f) whether PECO's claimed Cost of Service Study ("COSS") is accurate and legitimate.

PAIEUG anticipates pursuing these issues during this proceeding and reserves the right to raise further issues and to respond to all issues raised by other parties.

IV. PROPOSED WITNESS

PAIEUG expects to sponsor testimony regarding the aforementioned issues by the following witness:

Mr. Jeffry Pollock
J. Pollock, Inc.
12647 Olive Blvd, Suite 585
St. Louis, MO 63141
Phone: (314) 878-5814
JCP@jpollockinc.com

PAIEUG reserves the right to modify or supplement this witness list during the course of this proceeding. In the event that PAIEUG decides to modify or supplement the witness list, it will inform the parties and the ALJs as soon as possible of the intended witnesses. PAIEUG also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses and the submission of briefs, exceptions and reply exceptions, if necessary.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

PAIEUG does not oppose the partial procedural schedule set forth in the Prehearing Conference Order and will cooperate with the ALJ and the parties at the Prehearing Conference to finalize an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ. Additionally, PAIEUG will defer to the other parties at the Prehearing Conference as to the amount of hearing time needed, as well as the need for public input hearings.

VI. POSSIBILITY OF SETTLEMENT

PAIEUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully Submitted,

McNEES WALLACE & NURICK LLC

By 

Charis Mincavage (I.D. No. 82039)
Adeolu Bakare (I.D. No. 208541)
Jo-Anne S. Thompson (I.D. No. 325956)
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
cmincavage@mcneeslaw.com
abakare@mcneeslaw.com
jthompson@mcneeslaw.com

Counsel to the Philadelphia Area Industrial Energy
Users Group

Dated: November 5, 2020