

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Public Meeting held July 24, 1986

Commissioners Present:

Linda C. Taliaferro, Chairman
Frank Fischl
Bill Shane, abstaining

Pennsylvania Public Utility Commission
v.
Philadelphia Electric Company

DOCKETED

JUL 30 1986

R-850152

OPINION AND ORDER

BY THE COMMISSION:

Before the Commission for consideration is a Petition for Reconsideration ("Petition") of our Opinion and Order entered on June 27, 1986 in this proceeding, filed by the City of Philadelphia ("City") on July 11, 1986, pursuant to 52 Pa. Codes §§5.572. Philadelphia Electric Company ("PECO") filed an Answer to the Petition on July 23, 1986.

History of the Proceeding

1. On September 27, 1985, PECO filed Supplement No. 15 to its Tariff Electric-Pa. P.U.C. No. 26 to become effective November 27, 1985. The Supplement was designed to produce an annual base rate increase of \$681,760,000, based upon an adjusted level of operations using a historic test year ended June 30, 1985, and a future test year ending June 30, 1986.
2. By Order entered November 1, 1985, we allowed Supplement No. 15 to be suspended by operation of law, pursuant to Section 1308 of the Public Utility Code, 66 Pa.

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C.S. §1308, until June 27, 1986, and instituted an investigation, at Docket No. R-850152, into the lawfulness, justness and reasonableness of the proposed rates and of existing rates.

3. On June 27, 1986, we entered an Opinion and Order (the "Order") which authorized PECO to file a tariff supplement increasing electric operating revenues by approximately \$351 million, to be phased in over a three year period.

Discussion

In Duick v. PG&W, 56 Pa. P.U.C. 533 (1982), we stated the criteria which apply in reaching a determination of whether a Petition for rehearing or reconsideration should be granted, to wit:

A petition for rehearing under the provisions of 66 Pa. C.S. §703(f), properly must seek the reopening of the record for the introduction of additional evidence of some sort. As grounds therefore it must allege newly discovered evidence, not discoverable through the exercise of due diligence prior to the close of record....

* * * *

A Petition for reconsideration under the provisions of 66 Pa. C.S. §703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part. In this regard we agree with the Court in the Pennsylvania Railroad Company case, wherein it was said that [p]arties.... cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them....

City, in its Petition, contends that under PECO's phase-in plan, the \$351 million revenue increase approved by us in the Order is guaranteed in the sense that all of the deferred revenues would be recovered even if it would be necessary to go beyond the deferred revenue recovery period (years four through six) to accomplish the total revenue recovery. City also contends that the revenue guarantee penalizes those customers who would choose to conserve and therefore decrease their electric demand and electric bills.

Under the application of PECO's Unrecovered Revenue Rider, revenues deferred during the first two years will be collected in years four, five and six. The Company stated that revenue recovery will be precisely tracked to avoid any over or under collections. PECO states that the amount of revenue deferred is not guaranteed and that revenues will vary with the actual sales levels during the first two years rates are in effect.

City further contends that utilities are provided an opportunity to recover Commission approved rates, not a guarantee of such recovery; that utilities are not allowed to "reach-back" and collect additional revenues if achieved revenues prove to be insufficient, and that this Commission sets rates on a prospective basis. All of the City's arguments contained in the Petition were also covered in City's Main Brief and were considered by the Commission in its adjudication in this proceeding. In accordance with Duick, the City has alleged no grounds, such as new or novel arguments, which would support the grant of reconsideration; however, we will briefly comment on certain of the City's allegations.

City misconceives the revenue phase-in plan when it describes the plan as a guaranteed revenue recovery plan.

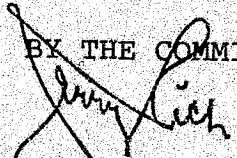
This Commission in the Order determined that PECO had established an annual revenue increase requirement which would be phased-in over a period of time. There is no retroactivity or "reaching-back" when a utility is actually deferring the immediate annual collection of an approved level of revenues.

Conclusion

In accordance with the foregoing discussion, we conclude that the City Petition should be denied; THEREFORE,

IT IS ORDERED: That the Petition filed by the City of Philadelphia on July 11, 1986, requesting reconsideration of our Opinion and Order entered on June 27, 1986, is denied.

BY THE COMMISSION,


Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: July 24, 1986

ORDER ENTERED: July 25, 1986