PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120

Pennsylvania Public Utility Commission, et al	**Public Meeting June 17, 2021**
v.	**3018929-OSA**
	Docket No. R-2020-3018929, C-2020-3022400, C-2020-3022414, C-2020-3022745
PECO Energy Company – Gas Division	

MOTION OF COMMISSIONER RALPH V. YANORA

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition are the Exceptions of PECO Energy Company – Gas Division (PECO, or the Company), the Commission's Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), filed on April 26, 2021, to the Recommended Decision (R.D.) of Deputy Chief Administrative Law Judge (ALJ) Christopher P. Pell, issued on April 12, 2021, in the above-captioned proceeding.

PECO's rate filing requests a rate increase of $68.7 million or 8.9% of its total Pennsylvania jurisdictional gas operating revenues. PECO based its request to increase annual operating revenues in part on a claimed rate base of approximately $2.464 billion as of June 30, 2022. Included in its claim, and as part of its commitment to replacing infrastructure, the Company plans net plant additions of $369,425,000 for the twelve months ending June 30, 2021, and $395,764,000 for the twelve months ending June 30, 2022.

Included in the request is the Company's Natural Gas Reliability Project which consists of three components: (1) the installation of 11.5 miles of gas main; (2) capital upgrades to the Company's West Conshohocken liquefied natural gas facility; and (3) the construction of a new gate, or reliability station. The necessity of the Reliability project has not been called into question.

I&E argues that PECO's claimed plant in service balances for the Company's proposed Natural Gas Reliability Project (Reliability Project) should be reduced as I&E claims that the plant will not be placed into service during the Fully Projected Future Test Year (FPFTY). I&E recommended that PECO's claimed rate base be reduced by $46,820,803 and a commensurate reduction of $804,000 be made to the FPFTY depreciation reserve.

PECO responded that I&E mistakenly treated the three components of the Reliability Project as a single, linear project that will not be completed until June 2023. Rather, PECO asserts that the first two components of the Reliability Project will be completed and in service during the FPFTY while the third phase will separately be completed by June 2023. In addition, the Company states that its proposed $82,481,428 rate base claim included only the first two phases of the project.

Based on the record before us, I believe that PECO has met its burden of proof and has provided substantial evidence regarding the necessity of the Natural Gas Reliability Project and the in-service dates of the phases of the Reliability project that have been included in the Company's rate base claim. Specifically, PECO provided testimony and detailed responses to I&E's discovery requests regarding the Reliability Project and specific claims for its FPFTY plant additions in this proceeding.[1] Additionally, as PECO asserted, its claim of $82,481,428 for the Reliability Project only reflects two of the three components of the project as FPFTY additions. Accordingly, it would be error to assume that the in-service dates for two of the components of the Natural Gas Reliability project claimed by PECO would be the same as the June 2023 estimated in-service date for a third component of the project. Therefore, there should be no adjustment to PECO's proposed FPFTY plant additions and PECO Exception No. 1 should be granted.

THEREFORE, I move:

1. That Exception No.1 filed by PECO Energy Company – Gas Division on April 26, 2021 is granted.

2. That the Office of Special Assistants prepare an Opinion and Order consistent with this Motion.

Date: June 17, 2021

COMMISSIONER

[1] I&E Exhibit 3, Schedule 2 at 3.