

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 4, 2022

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

Re: Pennsylvania Public Utility Commission
v.
PECO Energy Company – Gas Division
Docket No. R-2022-3031113

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci
Laura J. Antinucci
Assistant Consumer Advocate
PA Attorney I.D. # 327217
E-Mail: LAntinucci@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only**)
Bureau of Technical Utility Services (**email only**)
Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Certificate of Service

*325219

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2022-3031113
 :
 PECO Energy Company – Gas Division :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 4th day of April 2022.

SERVICE BY E-MAIL ONLY

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/s/ Laura J. Antinucci

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Phone: (717) 783-5048

Fax: (717) 783-7152

Dated: April 4, 2022

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Patrick M. Cicero, Acting Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County
Phone: (717) 783-5048

2. UTILITY NAME (RESPONDENT)

PECO Energy Company, Gas Division – Docket No. R-2022-3031113

3. TYPE OF UTILITY

Natural Gas

4. COMPLAINT

A. On March 31, 2022, PECO Energy Company (“PECO” or “Company”) filed Tariff Gas – PA. P.U.C. No. 5 (“Tariff No. 5”). Through Tariff No. 5, the Company proposes to increase rates to produce additional annual operating revenues of \$82.1 million, or an increase of 9.1%. Unless suspended by the Public Utility Commission, the proposed rate increase would become effective on May 30, 2022.

B. The Company is engaged in the business of furnishing natural gas to over 543,000 retail customers, and transportation service to 676 unique large commercial and industrial customers in a 1,900 square mile area in southeastern Pennsylvania adjacent to, but exclusive of, the City of Philadelphia.

C. The Company is proposing to allocate \$63.9 million, or 78% of the proposed \$82.1 million increase, to the residential customer class. The Company produces this result, in part, by increasing the residential monthly customer charge by \$4.87, from \$13.63 to \$18.50, or by 36%.

D. The Company states that its proposal is driven by several factors, including ongoing infrastructure replacement programs, enhancements to its technology systems and personnel training processes, and increases in certain operation and maintenance expenses.

E. If the Company's request is approved by the Commission, the Company would also be allowed an overall rate of return of 7.68%, which includes a 10.95% return on common equity.

F. Under this proposal, the total average monthly bill of a residential customer using 80 Cubic Feet (Ccf) per month would increase from \$95.31 to \$107.70 per month, or by 13.0%.

G. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission), pursuant to Act 161 of the General Assembly, as amended, 71 P.S. §§ 309-1, *et seq.*

H. A preliminary examination of the Company's Tariff No. 5 indicates that the Company's existing and proposed changes in rates, rules and regulations may be unjust, unreasonable, in violation of the law and will or may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. § 1301, *et seq.*

I. The Acting Consumer Advocate also avers that the proposed tariff changes and proposed rate structure and rate design may be unlawfully discriminatory, in violation of the Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304, *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.

J. The Acting Consumer Advocate files this Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether the Company's existing and proposed rates--and any and all rate policy changes--are just and reasonable and are not unduly discriminatory or otherwise unlawful.

5. RELIEF

The Acting Consumer Advocate respectfully requests that the Commission take the following actions:

A. Suspend and investigate the operation Tariff No. 5 pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);

B. Consolidate all complaints filed against Tariff No. 5;

C. Hold full evidentiary hearings examining the reasonableness of the Company's current rates and its proposed increases in rates;

D. After providing the public with adequate notice, hold public input hearings in the Company's service territory in order to provide customers with an opportunity to be heard on the record, and hold those hearings as early in the case as feasible;

E. Deny any increase or change in the Company's rates that is unjust, unreasonable, discriminatory or inconsistent with the Public Utility Code, sound ratemaking principles, and public policy;

F. Determine the justness and reasonableness of the Company's current and proposed rates and tariff; and

G. Grant such other relief it deems appropriate.

6. VERIFICATION AND SIGNATURE

Verification:

I, Patrick M. Cicero, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Patrick M. Cicero
(Signature)

04/04/2022
(Date)

7. LEGAL REPRESENTATION

Laura J. Antinucci, Assistant Consumer Advocate, PA Bar No. 327217
Mackenzie C. Battle, Assistant Consumer Advocate, PA Bar No. 330879
Barrett C. Sheridan, Assistant Consumer Advocate, PA Attorney I.D. 61138
Darryl A. Lawrence, Senior Assistant Consumer Advocate, PA Bar No. 93682

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**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interest of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving the proposed rate increase requested by PECO Energy Company, Gas Division, docketed at R-2022-3031113.

The Company is engaged in the business of furnishing natural gas to over 543,000 retail customers, and transportation service to 676 unique large commercial and industrial customers in a 1,900 square mile area in southeastern Pennsylvania adjacent to, but exclusive of, the City of Philadelphia. The proposed tariff, if approved, would allow the Company an increase of \$82.1 million, or 9.1%, to its annual operating revenues. The Company would also be allowed an overall rate of return of 7.68% which includes a 10.95% return on common equity. Under the Company's proposal, the total average monthly bill of a UGI Gas residential customer using 80 Cubic Feet (Ccf) per month would increase from \$95.31 to \$107.70 per month, or by 13.0%.

The Acting Consumer Advocate files this Complaint to ensure that the rate increase and other charges and mechanisms sought by the Company are just and reasonable. The Acting Consumer Advocate will represent the interests of PECO Gas ratepayers before the Commission and will seek to ensure that customers are not charged rates that are unjust, unreasonable, discriminatory or otherwise contrary to law.