

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 25, 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  
1307(f) Proceeding  
Docket No. R-2022-3032250

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/ Aron J. Beatty  
Aron J. Beatty  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 86625  
E-Mail: [ABeatty@paoca.org](mailto:ABeatty@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](mailto:ra-OSA@pa.gov))  
Certificate of Service

\*328763

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2022-3032250  
 :  
 PECO Energy Company – Gas Division :  
 1307(f) Proceeding :

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 25<sup>th</sup> day of May 2022.

**SERVICE BY E-MAIL ONLY**

Richard A. Kanaskie, Esquire  
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/s/ Aron J. Beatty

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Phone: (717) 783-5048  
Fax: (717) 783-7152  
Dated: May 25, 2022  
\*329430

**Pennsylvania Public Utility Commission**

**Formal Complaint Form**

**1. COMPLAINANT**

Patrick M. Cicero, Acting Consumer Advocate

555 Walnut Street, 5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Dauphin County

Phone: (717) 783-5048

Facsimile: (717) 783-7152

**2. RESPONDENT**

PECO Energy Company – Gas Division, Docket No. R-2022-3032250

**3. TYPE OF UTILITY**

Gas

**4. COMPLAINT**

- A.** On April 29, 2022, PECO Energy Company (PECO or the Company) submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates, pursuant to Sections 53.64 and 53.65 of the Commission’s Rules and Regulations, 52 Pa. Code §§ 53.64-65. On or about June 1, 2022, PECO will submit its definitive annual PGC filing to the Commission pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f).
- B.** PECO’s most recent quarterly update to its PGC rate became effective on March 1, 2022. The Company’s current PGC rate is \$5.8156/Mcf. The Company’s pre-filing does not propose a new PGC rate, which will be included in its June 1, 2022 filing. The June 1, 2022 proposed rate, however, will be subject to quarterly updates prior to taking effect on December 1, 2022.
- C.** PECO provides service to residential customers in Bucks, Chester, Delaware, Lancaster, and Montgomery Counties.
- D.** The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate, and reliable service. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission;

(2) taken all prudent steps to negotiate favorable gas supply contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withheld or cause to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy. 66 Pa.C.S. § 1318(a)(1-4).

- E.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission (the “Commission”) pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. Stat. Ann. §§309-1, *et seq.*
- F.** After initial review of PECO’s filing information, the Acting Consumer Advocate files this Formal Complaint in order to ensure that the Company’s future PGC rates are consistent with a least cost fuel procurement policy and does not result in rates or charges that are excessive, unjust or unreasonable, discriminatory or otherwise contrary to Commission Regulations or policy.

**5. RELIEF**

The Acting Consumer Advocate respectfully requests that the Commission:

- A.** Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code;
- B.** Hold at least one public input hearing, if there is sufficient public interest in holding one;
- C.** Deny any rate or tariff changes, which are not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, and as defined by other applicable ratemaking standards;
- D.** Ensure that the Company’s PGC customers are only allocated those costs that should be borne by them;
- E.** Deny any rate or tariff that is unjust, unreasonable, unduly discriminatory or contrary to sound ratemaking principles; and;
- F.** Grant such other relief that the Commission may deem to be necessary, just or proper.

**6. VERIFICATION**

*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)

05/25/2022  
(Date)

**7. LEGAL REPRESENTATION**

Aron J. Beatty, Senior Assistant Consumer Advocate, PA Bar No. 86625  
David T. Evrard, Assistant Consumer Advocate, PA Bar No. 33870

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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 Office of Consumer Advocate (OCA) to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the OCA determined to file a Formal Complaint and participate in proceedings before the Commission involving the purchased gas cost (PGC) rate proceeding initiated by PECO Energy Company (PECO or Company) at Docket No. R-2022-3032250.

On April 29, 2022, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, 52 Pa. Code §§ 53.64, 53.65, PECO submitted its pre-filing information in support of its annual reconciliation of PGC rates. The Company is scheduled to make its definitive rate filing with the Commission on or about June 1, 2022, pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f). At that time, the Company will propose anticipated PGC rates for service beginning December 1, 2022.

The OCA has filed this Formal Complaint with the Commission to ensure that each aspect of PECO's 2022 PGC filing is scrutinized and that the proposed PGC rate is consistent with a least cost fuel procurement policy. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. That section of the Public Utility Code also specifies that certain findings must be made before the costs are determined to be lawful. The OCA, therefore, will seek to ensure that only those purchased gas costs which comply with the requirements of the Public Utility Code will be paid by the Company's ratepayers. In addition, the OCA will also seek to ensure that the rates approved by the Commission are not unduly discriminatory or otherwise excessive.