



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

June 8, 2022

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
PECO Energy Company 1307(f) – Gas
Docket No.: R-2022-3032250
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** for the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Carrie B. Wright' with a stylized flourish at the end.

Carrie B. Wright
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

CBW/jfm
Enclosures

cc: Hon. Darlene D. Heep, OALJ-Philadelphia (*via email only*)
Shalea Delvillar, Legal Assistant, OALJ
Per Certificate of Service

I. INTRODUCTION

On April 29, 2022, PECO Energy Company – Gas Division (“PECO” or “Company”) pursuant to Section 1307(f) of the Public Utility Code, made its annual Gas Cost Rate (“GCR”) pre-filing. On May 31, 2022, PECO made its definitive 1307(f) filing.

A Prehearing Conference is scheduled for June 9, 2022, with Administrative Law Judge Darlene D. Heep presiding.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in this case. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise.

The issues are as follows:

- E-Factor
- Over/Under Collections
- Interest rate calculation for over/under collections
- Supplier Refunds
- Incentive Mechanisms
- BCS Revenues
- Miscellaneous Surcharge Revenue
- Exclusions and Allocation factor
- Unaccounted for Gas
- Retainage Rate
- Spot Market Purchases
- Capacity Requirements
- Peak Day Forecasts
- Compliance with Prior Commission Orders
- Hedging Practices
- Renewable Natural Gas

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

Esyan Sakaya, Fixed Utility Valuation Engineer

Zachari Walker, Fixed Utility Financial Analyst

The I&E witnesses may be contacted through the information listed above for Ms. Wright.

The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

V. SCHEDULE AND DISCOVERY MODIFICATIONS

I&E is working with the parties to develop a mutually agreeable schedule and mutually agreeable discovery modifications.

I&E supports the use of telephonic hearings in this proceeding, however, I&E requests that hearings be held in Harrisburg to if hearings are held in person in the instant proceeding.

VI. SERVICE OF DOCUMENTS

The Commission's March 20, 2020 Emergency Order,¹ which was controlling regarding electronic service of documents, expired on September 30, 2021. In anticipation of the expiration of the March 20 Order, the Commission issued a new Order on September 15, 2021 regarding the regulations controlling service requirements.² Pursuant to the September 15 Order, the Commission recognized, for purposes of satisfying service of documents requirements:

... that some of the measures we implemented significantly benefitted the operational needs of the Commission, the public and the regulated community. Specifically, the electronic service requirements we adopted were essential to ensuring continued, uninterrupted operations, providing needed flexibility. Therefore, in order to maintain that flexibility to respond to operational demands, we will waive certain regulatory service provisions, consistent with our previous actions.³

Further, the Commission stated:

... some of the operational restraints occasioned by the pandemic remain. ... Toward this end, we will continue to permit electronic service *by* the Commission on all parties, regardless of whether a particular party has agreed to electronic service. ... Additionally, service *on* Commission staff in proceedings pending before it, whether staff is a party or otherwise, shall be exclusively electronic unless the parties agree otherwise.⁴

Therefore, for purposes of satisfying in-hand service requirements for discovery responses, prepared testimony, briefs and other documents during this proceeding, and consistent with the Commission's September 15 Order, I&E requests that electronic delivery

¹ Docket No. M-2020-3019262, *Re: Suspension of Regulatory and Statutory Deadlines, Modification to Filing and Service Requirements* ("March 20 Order").

² Docket No. M-2021-3028321, *Re: Waiver of Regulations Regarding Service Requirements* ("September 15 Order").

³ September 15 Order, p. 3.

⁴ *Id.*, p. 6.

of documents continue to satisfy the service requirements without the need to follow up with hardcopies.

VII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,

A handwritten signature in black ink that reads "Carrie B. Wright". The signature is written in a cursive style with a large, stylized "X" at the end of the name.

Carrie Wright
Prosecutor
PA Attorney ID No. 208185

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Dated: June 8, 2022

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