



Direct Dial: 215.841.6841
khadijah.scott@exeloncorp.com

October 25, 2022

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

**RE: Donald Cancelmo vs. PECO Energy Company
PUC Docket No. C-2022-3035883**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission are *PECO Energy Company's Preliminary Objections*.

I have enclosed a Certificate of Service showing that a copy of the above document was served on the interested parties. Thank you for your time and attention on this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Khadijah Scott".

Khadijah Scott, Esquire
Assistant General Counsel, Exelon BSC
Encl.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DONALD CANCELMO	:	
Complainant	:	
	:	
v.	:	DOCKET NO. C-2022-3035883
	:	
PECO ENERGY COMPANY	:	
Respondent	:	

**PRELIMINARY OBJECTION OF RESPONDENT,
PECO ENERGY COMPANY**

Respondent, PECO Energy Company (“PECO”), pursuant to 52 Pa. Code §5.101(a)(4), respectfully petitions this Honorable Commission to dismiss the instant Complaint as legally insufficient.

1. On October 5, 2022, PECO was served with a formal complaint filed by Donald Cancelmo (hereafter “Complainant”). A copy of the Complaint is attached hereto as Exhibit “1”.
2. In his Complaint, the Complainant requests that PECO Energy utilize a simpler and more equitable way to allocate the costs associated with its Neighborhood Pilot Natural Gas Program for his Valley Forge Estates community. See Exhibit “1”.
3. PECO Energy’s Neighborhood Pilot Natural Gas Program’s design and funding have been reviewed and approved by the Public Utility Commission in PECO Energy’s 2020 gas rate case.
4. In essence, the Complainant is disputing that the PUC improperly approved PECO Energy’s Neighborhood Pilot Natural Gas Program cost structure and requests that the PUC revisit and reduce the approved cost structure implemented by PECO Energy.

5. PECO Energy therefore files the instant Preliminary Objections.
6. Pursuant to 52 Pa. Code §5.101, preliminary objections may be filed against a complaint and dismissed for legal insufficiency. 52 Pa. Code §5.101(a)(4).
7. Commission procedure regarding the disposition of preliminary objections is similar to that utilized in Pennsylvania civil procedure. Equitable Small Transportation Intervenors. v. Equitable Gas Co., 1994 Pa.PUC LEXIS 69, Docket No. C-00935435 (July 18, 1994).
8. In deciding preliminary objections, the Public Utility Commission must determine, based on the factual pleadings of the petitioner, if relief or recovery is possible. Roc v. Flaherty, 527 A.2d 211 (Pa. Cmwlth 1985).
9. A complaint must be able to recover under the law to survive a preliminary objection. Milliner v. Enck, 709 A.2d 417, 418 (Pa. Super. Ct. 1998) (“preliminary objection should be sustained only where it appears with certainty that, upon the facts averred, the law will not allow the plaintiff to recover”).
10. All of the non-moving party’s averments must be taken as true for the sake of deciding the preliminary objection. County of Allegheny v. Commw. of Pa., 490 A.2d 402 (Pa. 1985).
11. The court does not, however, need to accept, “unwarranted inferences from facts, argumentative allegations, or expressions of opinions.” Feingold v. McNulty, 2009 Phila. Ct. Com. Pl LEXIS 167, *3.

12. Section 703 of the Public Utility Code, 66 Pa. C.S.A. § 703(b) provides that the Commission may dismiss any complaint without a hearing if, in its opinion, a hearing is not necessary to the public interest.

13. A hearing is required only when there is a disputed question of fact, and is not required to resolve questions of law. Dee-Dee Cab, Inc. v. Pa.Pub. Util. Comm'n, 817 A.2nd 593 (Pa.Comm. Ct. 2003), petition for allowance of appeal denied, 836 A.2d 123 (Pa. 2003).

14. Here, there are no genuine issues of fact and PECO Energy is entitled to judgment as a matter of law with respect to all of the allegations in the Complaint.

I. Legal Insufficiency – Under the Commission’s regulations, a Formal Complaint hearing is not the forum to dispute the approval of PECO Energy’s Neighborhood Pilot Natural Gas Program after the approval has become effective.

1. The Complainant is disputing that cost structure of PECO Energy’s Neighborhood Pilot Natural Gas Program.

2. PECO Energy’s Neighborhood Pilot Natural Gas Program’s design and funding have been reviewed and approved by the Public Utility Commission in PECO Energy’s 2020 gas rate case. See, Commission Order, dated June 17, 2021, under docket number R-2020-3018929.

3. The structure of PECO Energy’s approved Pilot Program is also publicly published in its Natural Gas Pilot Rider.

4. The Commission decided that PECO Energy’s cost structure for its Neighborhood Pilot Natural Gas Program were just and reasonable.

5. The Commissioner's Order has the weight of law unless the PUC changes it in response to a petition for reconsideration, or it is successfully challenged in court.

6. Consumers have a right to participate in the gas ratemaking process and can do so by filling out an informal complaint form or completing the Commission's objection/comment form.

7. Consumers are offered an opportunity to voice their opinions and give testimony.

8. In this matter, the cost structure for PECO Energy's Neighborhood Pilot Natural Gas Program process is complete.

9. The Complainant did not timely file a Motion for Reconsideration nor timely challenge the PUC's approval in court.

10. Accordingly, the Complainant's formal complaint should be dismissed as it fails to set forth a violation by PECO Energy of either the Public Utility Code, the regulations of the PUC or PECO's Tariff as required by 52 Pa. Code §5.22(a)(4).

REQUEST FOR RELIEF

WHEREFORE, for the reasons set forth above, PECO Energy Company respectfully requests that your Honorable Commission summarily dismiss the Complainant's formal

complaint, and all issues which were raised in the Complaint.

Respectfully submitted,



Khadijah Scott
Counsel for PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
(215) 841-6841
Fax: 215.568.3389
Khadijah.scott@exeloncorp.com

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DONALD CANCELMO	:	
Complainant	:	
	:	
v.	:	DOCKET NO. C-2022-3035883
	:	
PECO ENERGY COMPANY	:	
Respondent	:	

VERIFICATION

I, Khadijah Scott, hereby declare that I am counsel for PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Pleading are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. §4904 pertaining to false statements to authorities.

Date: October 25, 2022



Khadijah Scott

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DONALD CANCELMO	:	
Complainant	:	
	:	
v.	:	DOCKET NO. C-2022-3035883
	:	
PECO ENERGY COMPANY	:	
Respondent	:	

CERTIFICATE OF SERVICE

I, Khadijah Scott, hereby certify that I have this day served a copy of PECO Energy Company's Preliminary Objection in the above matter upon all interested parties by *E-mailing* a copy to:

DONALD CANCELMO
172 SULLIVAN RD
WAYNE PA 19087
Via Email: dcancelmo@verizon.net

Dated: October 25, 2022



Khadijah Scott
Counsel for PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
(215) 841-6841
Fax: 215.568.3389
Khadijah.scott@exeloncorp.com

EXHIBIT 1

Botak, Amy:(PECO)

From: RA-PCESERVE@pa.gov
Sent: Wednesday, October 5, 2022 12:41 PM
To: Scott, Khadijah:(PECO)
Cc: Botak, Amy:(PECO)
Subject: [EXTERNAL]PA PUC eServe Notice

Importance: High

EXTERNAL MAIL. Do not click links or open attachments from unknown senders or unexpected Email.

Dear Khadijah Scott,

A(n) **Formal Complaint** has been served in this proceeding. This document is docketed as **C-2022-3035883**. You may view this document at

[Formal Complaint - Cancelmo](#)

You are receiving this email because you are a(n) **Respondent** for this case and have agreed to be served electronically. By selecting electronic service (eService), you have agreed that this notification constitutes valid service. Electronic service of any and all documents will be in place of paper service.

Thank You,
Public Utility Commission
Commonwealth of Pennsylvania

** Please do not respond to this automatically generated email.*

PUC has recently updated E-Service delivery E-Mail address to RA-PCESERVE@pa.gov. Please update your Address book and/or E-Mail rules accordingly.

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

*Filing this form begins a legal proceeding and you will be a party to the case.
If you do not wish to be a party to the case, consider filing an informal complaint.*

To complete this form, please type or print legibly in ink.

2020 PUBLIC SERVICE
FILE # 2021-00111

1. Customer (Complainant) Information

Provide your name, mailing address, county, telephone number(s), e-mail address and utility account number. It is your responsibility to update the Commission with any changes to your address and to where you want documents mailed to you.

Name Donald P. Cancelmo _____

Street/P.O. Box 172 Sullivan Road _____ Apt # _____

City Wayne _____ State PA _____ Zip 19087 _____

County Chester _____

Telephone Number(s) Where We Can Contact You During the Day (required):

(610) 688-7881 _____ (home) (484) 557-4957 _____ (mobile)

E-mail Address (required): dcancelmo@verizon.net _____

Utility Account Number (from your bill) 1702400907 _____

If your complaint involves utility service provided to a different address or in a different name than your mailing address, please list this information below.

Name _____

Street/P.O. Box _____

City _____ State _____ Zip _____

2. Name of Utility or Company (Respondent)

_____ Provide the full name of the utility or company about which you are complaining. The name of your utility or company is on your bill.

PECO An Exelon Company
PECO Neighborhood Pilot Natural Gas Project #278 _____

3. **Type of Utility Service**

Check the box listing the type of utility service that is the subject of your complaint (check only one):

ELECTRIC

STORM WATER

GAS

WASTEWATER/SEWER

WATER

TELEPHONE/TELECOMMUNICATIONS (local, long distance)

STEAM HEAT

MOTOR CARRIER (e.g. taxi, moving company, limousine)

4. **Reason for Complaint**

What kind of problem are you having with the utility or company? Check all boxes below that apply and state the reason for your complaint. Explain specifically what you believe the utility or company has done wrong. Provide relevant details including dates, times and places and any other information that may be important. If the complaint is about billing, tell us the amount you believe is not correct. Use additional paper if you need more space. **Your complaint may be dismissed without a hearing if you do not provide specific information.**

The utility is threatening to shut off my service or has already shut off my service.

I would like a payment agreement.

Incorrect charges are on my bill. Provide dates that are important and an explanation about any amounts or charges that you believe are not correct. Attach a copy of the bill(s) in question if you have it/them.

- I am having a reliability, safety or quality problem with my utility service. Explain the problem, including dates, times or places and any other relevant details that may be important.
- Other (explain).

Regarding the PECO Neighborhood Pilot Natural Gas Project, the issuing of pricing credits based on the percent of homes within a project group that submitted a 'non-binding application' is flawed and subject to gaming of the system. Similarly issuing price discounts based on the number of appliances one indicates they intend to hook up to gas can be gamed. Finally, issuing price discounts to homeowners with higher square foot homes because they will consume more gas is grossly unfair, benefitting the more affluent, and seems to contradict PECO's other conservation efforts. These questionable practices have resulted in very large differences in the costs being born by homeowners in adjoining neighborhoods, discouraging participation in the program. These practices should be discontinued.

Our community, "Valley Forge Estates", is comprised of homes on Anthony Wayne Drive, bounded by Valley Forge Road, running North to the PA Turnpike, then running East to and bounded by Route 422, then running south to Swedesford Road and running West back to Valley Forge Road. The breaking up of this community into small project groups has unfairly and unnecessarily resulted in large cost variances between the respective project groups. Some of the factors causing the higher costs are completely out of the control of the respective homeowners in said groups. For instance, one group may require multiple Main connections while another group may only require one Main connection.

A simpler and more equitable way to allocate the costs of this initiative would be to divide the sum of the costs of the multiple projects within "Valley Forge Estates" by the sum of the all of the respectively affected property's street frontage. This would provide an equal assessment based on the homeowner's respective property frontage.

For example: (not actual costs/frontage, just for illustration)

<i>Sum of the costs of the multiple projects:</i>	<i>\$1,000,000</i>
<i>Sum of the affected property's street frontage:</i>	<i>40,000</i>
<i>Cost per foot of street frontage:</i>	<i>\$25</i>

This methodology would result in a more fair and equitable distribution of certain and extraordinary costs. Everyone would be paying the same rate based on their properties frontage. The projects could still be managed and executed in smaller groups

Note: If your complaint is only about removing or modifying a municipal lien filed by the City of Philadelphia, the Public Utility Commission (PUC) cannot address it. Only local courts in Philadelphia County can address this type of complaint. The PUC can address a complaint about service or incorrect billing even if that amount is subject to a lien.

In addition, the PUC generally does not handle complaints about cell phone or Internet service, but may be able to resolve a dispute regarding voice communications over the Internet (including the inability to make voice 911/E911 emergency calls) or concerns about high-speed access to Internet service.

5. Requested Relief

How do you want your complaint to be resolved? Explain what you want the PUC to order the utility or company to do. Use additional paper if you need more space.

A simpler and more equitable way to allocate the costs of this initiative would be to divide the sum of the costs of the multiple projects within "Valley Forge Estates" by the sum of the all of the respectively affected property's street frontage. This would provide an equal assessment based on the homeowner's respective property frontage.

For example: (not actual costs/frontage, just for illustration)

Sum of the costs of the multiple projects: \$1,000,000

Sum of the affected property's street frontage: 40,000

Cost per foot of street frontage: \$25

This methodology would result in a more fair and equitable distribution of certain and extraordinary costs. Everyone would be paying the same per foot rate based on their properties frontage. The projects could still be managed and executed in smaller groups.

Note: The PUC can decide that a customer was not billed correctly and can order billing refunds. The PUC can also fine a utility or company for not following rules and can order a utility or company to correct a problem with your service. Under state law, the PUC cannot decide whether a utility or company should pay customers for loss or damages. Damage claims may be sought in an appropriate civil court.

6. **Protection From Abuse (PFA)/ Domestic Violence**

Has a court granted you a "Protection From Abuse" order or any other order which provides clear evidence of domestic violence against you that is currently in effect for your personal safety or welfare? The PUC needs this information to properly process your complaint so that your identity is not made public.

Note: You must answer this question if your complaint is against a natural gas distribution utility, an electric distribution utility or a water distribution utility AND your complaint is about a problem involving billing, a request to receive service, a security deposit request, termination of service or a request for a payment agreement.

Has a court granted a "Protection From Abuse" order or any other order for your personal safety or welfare?

YES

NO

If your answer to the above question is "yes," attach a copy of the current Protection From Abuse order to this Formal Complaint form.

7. **Prior Utility Contact**

a. Is this an appeal from a decision of the PUC's Bureau of Consumer Services (BCS)?

YES

NO

Note: If you answered yes, move to Section 8. No further contact with the utility or company is required. If you answered no, answer the question in Section 7 b. and answer the question in Section 7 c. if relevant.

b. If this is not an appeal from a BCS decision, have you spoken to a utility or company representative about this complaint?

YES

NO

Note: You must contact the utility first if (1) you are a residential customer, (2) your complaint is against a natural gas distribution utility, an electric distribution utility or a water utility AND (3) your complaint is about a billing problem, a service problem, a termination of service problem, or a request for a payment agreement.

- c. If you tried to speak to a utility company representative about your complaint but were not able to do so, please explain why.

The current pricing scheme was reviewed and approved by the PUC.

Note: Even if you are not required to contact the utility or company, you should always try to speak to a utility or company representative about your problem before you file a Formal Complaint with the PUC.

8. **Legal Representation**

If you are filing a Formal Complaint as an individual on your own behalf, you are not required to have a lawyer. You may represent yourself at the hearing.

If you are already represented by a lawyer in this matter, provide your lawyer's name, address, telephone number, and e-mail address, (all required contact information). Please make sure your lawyer is aware of your complaint. If represented by a lawyer, both you and your lawyer must be present at your hearing.

Lawyer's Name _____

Street/P.O. Box _____

City _____ State _____ Zip _____

Area Code/Phone Number _____

E-mail Address _____

Note: Corporations, associations, partnerships, limited liability companies and political subdivisions are required to have a lawyer represent them at a hearing and to file any motions, answers, briefs or other legal pleadings.

cancelmo
172 SULLIVAN ROAD
WAYNE, PA
19087



1000

17120

U.S. POSTAGE PAID
FCM LETTER
SOUTH EASTERN, PA
19389
SEP 30, 22
AMOUNT

\$0.84

R2304Y122361-29

Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

17120-007999

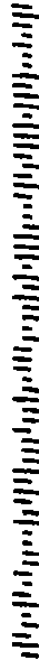


EXHIBIT 2



Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Harrisburg, PA 17105-3265
EFILING - FILING DETAIL

Date Created	Filing Number
10/25/2022	2440793

Your filing has been electronically received. Upon review of the filing for conformity with the Commission's filing requirements, a notice will be issued acknowledging acceptance or rejection (with reason) of the filing. The matter will receive the attention of the Commission and you will be advised if any further action is required on your part.

The date filed on will be the current day if the filing occurs on a business day before or at 4:30 p.m. (EST). It will be the next business day if the filing occurs after 4:30 p.m. (EST) or on weekends or holidays.

Docket Number: C-2022-3035883
Case Description: Answer to Formal Complaint
Transmission Date: 10/25/2022 3:24 PM
Filed On: 10/25/2022 3:24 PM
eFiling Confirmation Number: 2440793

File Name	Document Type	Upload Date
Answer to Formal Complaint - Donald Cancelmo - Neighborhood Gas Pilot Program.pdf	Answer to Formal Complaint	10/25/2022 3:23:49 PM

For filings exceeding 250 pages, the PUC is requiring that filers submit one paper copy to the Secretary's Bureau within three business days of submitting the electronic filing online. Please mail the paper copy along with copy of this confirmation page to Secretary, Pennsylvania Public Utility Commission, 400 North Street, Harrisburg PA 17120 a copy of the filing confirmation page or reference the filing confirmation number on the first page of the paper copy.

No paper submission is necessary for filings under 250 pages.

You can view a record of this filing and previous filings you have submitted to the PUC by using the links in the Filings menu at the top of the page. Filings that have been submitted within the last 30 days can be viewed by using the Recent Filings link. Older filings can be viewed by using the search options available in the Filing History link.



Direct Dial: 215.841.6841
khadijah.scott@exeloncorp.com

October 25, 2022

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

**RE: Donald Cancelmo vs. PECO Energy Company
PUC Docket No. C-2022-3035883**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is the *Answer to Formal Complaint with New Matter*.

I have enclosed a Certificate of Service showing that a copy of the above document was served on the interested parties. Thank you for your time and attention on this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Khadijah Scott".

Khadijah Scott, Esquire
Assistant General Counsel, Exelon BSC
Encl.

Cc: *Not Recommended for Call of the Docket*

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DONALD CANCELMO	:	
Complainant	:	
	:	
v.	:	DOCKET NO. C-2022-3035883
	:	
PECO ENERGY COMPANY	:	
Respondent	:	

ANSWER OF RESPONDENT,
PECO ENERGY COMPANY

On October 25, 2022, PECO Energy Company ("PECO Energy") was served with a formal complaint filed by DONALD CANCELMO (hereafter "Complainant") in the above captioned docket. Pursuant to 52 Pa. Code §5.61, PECO responds to the Complaint and states:

1. Admitted.
2. Admitted. By way of further answer, the Respondent is PECO Energy Company, only.
3. Admitted.
4. Unless specifically admitted herein, PECO Energy denies all material allegations of fact and conclusions of law in the instant complaint.

In his formal complaint, the Complainant states that there are very large differences in the costs being born by homeowners in adjoining neighborhoods for PECO Energy's Neighborhood Pilot Natural Gas Project. The Complainant requests that a simpler and more equitable way be utilized to allocate the costs associated with the program for his Valley Forge Estates community.

PECO Energy's records reveal that Carole Cancelmo maintains electric service at 172 Sullivan Rd., Wayne, PA 19087 under account number 17024-00907. On February 4, 2022, a

Neighborhood Pilot Natural Gas Program (“Pilot Program”) Application letter was sent to the customer of record, Carole Cancelmo. See, Application letter, dated February 4, 2022, attached hereto as Exhibit “1”. On April 8, a second Pilot Program Application letter was sent to the customer of record, Carole Cancelmo. See, Application letter, dated April 8, 2022, attached hereto as Exhibit “2”. On June 6, 2022, a Pilot Program Contract was sent to the customer of record Carole Cancelmo. See, Application letter, dated June 6, 2022, attached hereto as Exhibit “3”.

On August 8, 2022, the Complainant filed an Informal Complaint with the Bureau of Consumer Services (“BCS”) under case number 003856018 averring that PECO Energy should create a simpler and more equitable way to allocate the costs of its Pilot Program to be utilized for his Valley Forge Estates community. On September 1, 2022, the BCS dismissed the Complainant’s Complaint as follows:

DISMISSAL LETTER SENT. THE COMPANY REPORTED THE PROVIDED CONTRACT COSTS ARE CORRECT AND IN ACCORDANCE WITH THE COMPANY'S PUC-APPROVED GAS TARIFF/NEIGHBORHOOD GAS PILOT RIDER (NGPR). PER THE NGPR THE COMPANY SHALL BE THE SOLE JUDGE IN ESTABLISHING WHAT CONSTITUTES A NEIGHBORHOOD WHEN DETERMINING THE AVAILABILITY UNDER THIS PILOT PROGRAM. ON 9/1/2022 I SPOKE WITH THE CUSTOMER BY PHONE, AND WE DISCUSSED HIS INFORMAL COMPLAINT. ADDITIONALLY, THE CUSTOMER REQUESTED THAT I SEND A DISMISSAL LETTER TO HIM. AT THE INFORMAL LEVEL, THE BUREAU OF CONSUMER SERVICES HAS LIMITED JURISDICTION OVER THIS TYPE OF SERVICE ISSUE, AND AS A RESULT, WE HAVE CLOSED THIS INFORMAL COMPLAINT. FORMAL COMPLAINT RIGHTS PROVIDED TO CUSTOMER.

See, BCS Case Details #003856018 and BCS Case Decision #003856018 collectively attached hereto as Exhibit “4”.

Notwithstanding the Complainant's assertions, the Pilot Program's design and funding have been reviewed and approved by the Public Utility Commission in PECO Energy's 2020 gas rate case. PECO Energy's Pilot Program is voluntary and not required to maintain electric service with PECO Energy. The structure of PECO Energy's Pilot Program has been approved and is outlined for the public in its Natural Gas Tariff. See, Natural Gas Pilot Rider, attached hereto as Exhibit "4." Thus, the Complainant's proposed redesign of PECO Energy's Pilot Program cost structure is moot. Accordingly, this Complaint is without merit and should be dismissed.

5. This paragraph is a request for relief to which no answer is required. To the extent this paragraph contains factual allegations, they are denied for the reasons set forth above. See, Response to Paragraph 4.

6. Admitted.

7. Denied as stated. This is an appeal from the Bureau of Consumer Services. All remaining averments are deemed denied.

8. Denied. PECO is without knowledge or information sufficient to form a belief as to the truth of this averment and, therefore, such allegation is deemed denied.

9. Paragraph 9 is a Verification and Signature to which no response is required.

10. Paragraph 10 contains information regarding Filing, to which no response is required.

NEW MATTER OF RESPONDENT, PECO ENERGY COMPANY

PECO Energy Company ("PECO Energy"), pursuant to 52 Pa. Code §5.62(b), further responds to the Complaint and states:

1. In his formal complaint, the Complainant is requesting that PECO Energy utilize a simpler and more equitable way to allocate the costs associated with its Neighborhood Pilot Natural Gas Program for his Valley Forge Estates community.

2. To the extent that the Complainant is requesting that the Commission review the costs associated with PECO Energy's Neighborhood Pilot Natural Gas Program, this case should be dismissed.

3. PECO Energy's Neighborhood Pilot Natural Gas Program's design and funding have been reviewed and approved by the Public Utility Commission in PECO Energy's 2020 gas rate case.

4. The structure of PECO Energy's Pilot Program is outlined in its Natural Gas Pilot Rider.

5. The Commission has jurisdiction for ensuring the adequacy, efficiency, safety, and reasonableness of public utility service. 66 Pa.C.S. §1501.

6. The Commission does not have jurisdiction to address the financial structure of a previously approved Neighborhood Gas Pilot Program during a Formal Complaint hearing after the Neighborhood Gas Pilot Program has been approved in a separate proceeding.

7. There is no claim raised against PECO Energy to which relief can be granted.

WHEREFORE, PECO Energy Company respectfully requests that your Honorable Commission dismiss the instant Complaint.

Respectfully Submitted,



Khadijah Scott
Counsel for PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
(215) 841-6841
Fax: 215.568.3389
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VERIFICATION

I, Khadijah Scott, hereby declare that I am counsel for PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Pleading are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. §4904 pertaining to false statements to authorities.

Date: October 25, 2022



Khadijah Scott

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I, Khadijah Scott, hereby certify that I have this day served a copy of PECO Energy Company's Answer in the above matter upon all interested parties by E-mailing a copy to:

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WAYNE PA 19087
Via Email: dcancelmo@verizon.net

Dated: October 25, 2022



Khadijah Scott
Counsel for PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
(215) 841-6841
Fax: 215.568.3389
Khadijah.scott@exeloncorp.com

EXHIBIT 1



February 4, 2022

**CAROLE CANCELMO
172 SULLIVAN RD
WAYNE, PA 19087**

RE: 172 SULLIVAN RD

*As part of PECO's recent natural gas distribution base rate case, the PA Public Utility Commission approved a revised neighborhood gas pilot program which means **lower connection costs for you!***

Dear **CAROLE CANCELMO**,

With today's natural gas prices among the lowest in 20 years, it's a great time to invest in this safe, clean, and reliable fuel for your home's heating, cooking, outdoor grilling, and more. And, it's easier than ever to switch to natural gas with PECO's Neighborhood Pilot Program. Through this program, you can:

- **Reduce the cost** to introduce natural gas into your neighborhood by completing an application.
- **Choose how to pay:** you can select monthly payments for 20 years, with interest, including the option to pay off the balance at any time OR a full upfront payment to avoid interest.

One of your neighbors has already asked us to estimate the cost to install natural gas in your area, so we developed a plan for 56 homes on **ANTHONY WAYNE DR; WALKER RD; SULLIVAN RD.**

Below are the estimated costs* per neighbor based on the number of customers who express interest simply by returning a non-binding application. Estimated costs include the price to install both a natural gas main in the street and a service line to the home. The estimates do not include the natural gas your household would consume.

Number of non-binding applications:	Upfront payment of: (no interest)	or	Monthly payment spread over 20 years, at an interest rate of 7.76%:
12 homes minimum to proceed to next step	\$14,317	or	\$111 added to your monthly PECO bill
23 homes	\$11,206	or	\$87 added to your monthly PECO bill
56 homes	\$4,805	or	\$37 added to your monthly PECO bill

We need at least **12** neighbors to return applications to determine the actual installation costs.

SAVINGS! On average, customers save up to **56%** a year on their heating costs when switching from oil to natural gas.** Calculate how much you can save by going to peco.com/ToolsandCalculators. Enjoy added savings by installing ENERGY STAR® natural gas appliances and receive rebates up to \$600 from PECO. Refer to the rebate enclosure for more information.

If you are considering the switch to natural gas, **please complete the enclosed application and return it by 3/6/2022.** This application only indicates your interest in our program. It is not a legally binding contract. The more applications PECO receives, the lower the cost could be for you and your neighbors.

Please review the Frequently Asked Questions (FAQs) on the next page. If you have any further questions, please email naturalgas@peco.com or call 215-841-4006.

Sincerely,
PECO Neighborhood Pilot Team

PECO Neighborhood Pilot Natural Gas Program FAQs

Are there requirements for participating in the program?

Yes, homes must be in Bucks, Chester, Delaware, Lancaster or Montgomery counties and be eligible to receive PECO natural gas service as a residential customer. An existing active natural gas main cannot be in front of the homes. Projects will occur on a first-come, first-served basis once eligibility criteria are met. Funds for this program are limited and subject to availability.

What is included in the cost of the installation?

The installation cost includes extending the natural gas main through your neighborhood, installing a natural gas line to your home, and the installation of the natural gas meter.

Why is there a charge to bring natural gas to my neighborhood?

PECO provides significant credits to reduce the cost of bringing natural gas to your neighborhood, which include the neighborhood's expected gas usage and 40 feet allotment of gas main per residence. If these credits do not cover the entire installation cost, customers receiving gas service must contribute to the cost per the approved Tariff.

Why is the installation cost lower if more houses return applications?

The more neighbors who return an application, the greater the upfront credit from PECO to offset a neighborhood's project costs.

Will my neighbors have to pay for the natural gas main in the street if they connect after the line is installed?

Yes. For the next 20 years, all residents included in the neighborhood project who connect after the installation of the natural gas main will pay the same charge.

What happens if I sell my house before I've paid in full any amounts owed?

The gas main installation charges will be assigned to the home. If you move, the buyer of the home will be required to assume the charge. The balance also could be paid off in a lump sum at any time, including settlement. The home seller must notify the buyer of the obligation to pay any remaining charges.

Who will install my natural gas equipment/appliances? How do I find an HVAC contractor?

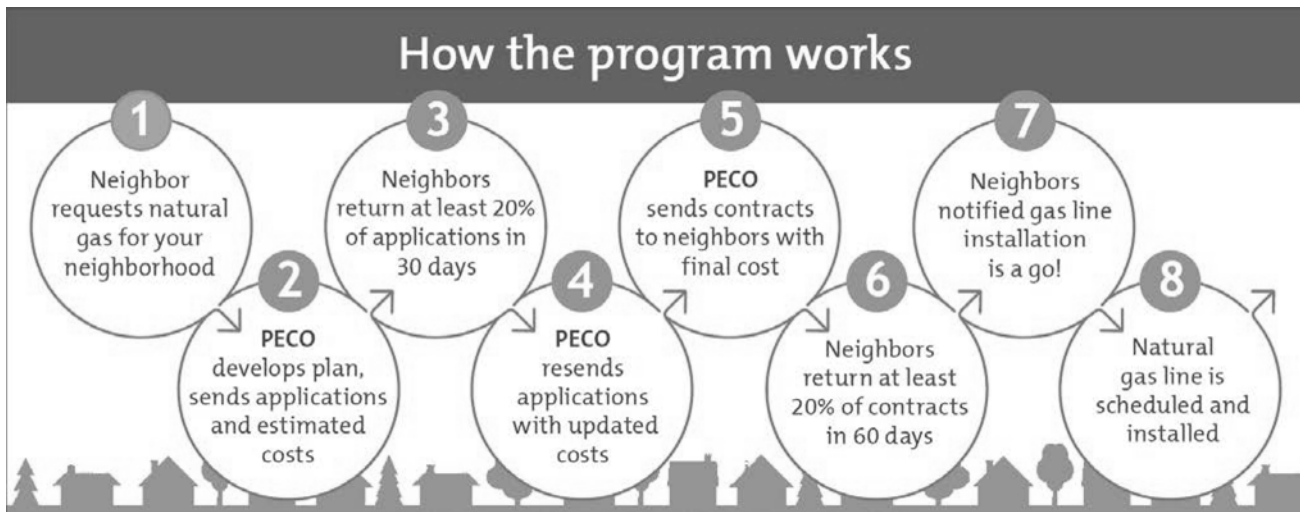
PECO does not install natural gas equipment or appliances. If you need a contractor, contact the Electrical Association of Philadelphia (EAP) at **610-825-1600** or visit **EAP.org** and select the "Find a Contractor" button.

How clean is natural gas?

Natural gas is the cleanest burning fossil fuel. It is highly efficient and emits considerably less carbon dioxide, sulfur, nitrogen, and particulates. This results in a smaller environmental impact compared to other energy sources.

How long is the process from application to installation?

The estimated timeframe for the entire process is six to nine months from the date of this letter.



* Customer cost is estimated based on distance of the natural gas main route, returned applications, average price, number of homes along the route, and the average customer usage. Contract price will be provided in customer contract once design has been completed. Monthly charge includes annual interest rate of 6.76% and 1% uncollectible fee. PECO will spend up to \$5 million on installations under this pilot program per year not to exceed \$25 million for the current pilot period.

** Source: US Energy Information Administration Short-term Energy Outlook for heating oil price of \$3.28/gallon and propane price of \$3.06/gallon as of 11/08/2021 for Pennsylvania excluding taxes. PECO natural gas price of \$1.06/ccf excluding customer charge based on PECO residential gas rate as of 01/01/2022. Historical prices do not guarantee future savings. www.eia.gov/forecasts/steo

Non-Binding Application for PECO Neighborhood Pilot Natural Gas Project #278

You and your neighbors can be a part of a PECO program that extends natural gas mains into neighborhoods where natural gas is not currently available. ***Please return this completed application within 30 days by email to naturalgas@peco.com or with the enclosed self-addressed envelope.*** This application only indicates your interest in the program. It is not a legally binding contract. The more applications PECO receives, the lower the cost.

Your Name	CAROLE CANCELMO	E-Mail	
Your Address	172 SULLIVAN RD	Mailing address (Enter NA if same)	
City/State/Zip	WAYNE, PA 19087	Do you Own or Rent your home?	OWN RENT
Phone:	6106887881		

1. TYPE OF RESIDENCE

Single-family home
 Apartment/Condo
 Home Business
 Townhouse/Row Home

Other

2. CURRENT HEATING SOURCE: (If you do not know your annual usage, please estimate)

<input type="checkbox"/> Electric		kwh/yr	<input type="checkbox"/> Propane		gal/yr
<input type="checkbox"/> Oil		gal/yr	<input type="checkbox"/> Other		/yr

3. NATURAL GAS APPLIANCES THAT YOU EXPECT TO INSTALL

Natural Gas Appliance (Heater, Hot Water Heater, BBQ, Range, Dryer, Generator, Fireplace etc.)	How many?	BTU's of new unit (if known)

4. APPROXIMATE SQUARE FOOTAGE OF YOUR HOME **5. APPROXIMATE AGE OF YOUR CURRENT HEATER:**

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- Did a neighbor let you know about this program? If so, please list that neighbor's name below:

- **IMPORTANT – At least 12 customers must return completed applications by 3/6/2022 before PECO can finalize design, pricing, and send contracts.**
- Please note: Once pricing is finalized, contracts will be sent. The Neighborhood Pilot natural gas project will occur if at least 12 customers return signed contracts within 60 days. Signing a contract will require the installation of at least one natural gas appliance within 18 months.

"Yes. Given the information provided, I understand this is only a non-binding application expressing my interest in natural gas. This is not a contract for natural gas service."

- Your Signature: _____ Date: _____

EXHIBIT 2



April 8, 2022

**CAROLE CANCELMO
172 SULLIVAN RD
WAYNE, PA 19087**

RE: 172 SULLIVAN RD

Here is **updated cost information** based on a visit to your neighborhood by a member of PECO's engineering staff.

If you haven't already, please complete your non-binding natural gas application.

Each application PECO receives lowers the cost for the entire neighborhood!

Dear **CAROLE CANCELMO**,

Great news! Your neighbors have returned 22 applications for natural gas, bringing your neighborhood one step closer to natural gas connection. Before PECO can determine the final pricing, you can help lower the costs further simply by completing the attached non-binding application. If you haven't already, please **complete the enclosed application and return it by 5/8/2022**.

This letter contains updated cost information for the proposed neighborhood natural gas project for 56 homes on **ANTHONY WAYNE DR; WALKER RD; SULLIVAN RD**.

Below are the costs* per neighbor based on the number of customers who express interest by returning a non-binding application. These costs include the price to install both a natural gas main in the street and a service line to the home. The estimates do not include the natural gas your household would consume.

Number of non-binding applications:	Upfront payment of: (no interest)	or	Monthly payment spread over 20 years, at an interest rate of 7.76%:
22 homes already returned applications	\$6,898	or	\$54 added to your monthly PECO bill
45 homes	\$5,075	or	\$40 added to your monthly PECO bill
56 homes	\$3,357	or	\$26 added to your monthly PECO bill

Through the PECO Neighborhood Pilot program, you may:

- **Choose how to pay:** you can select monthly payments for 20 years, with interest, including the option to pay off the balance at any time OR a full upfront payment to avoid interest
- **Enjoy the savings:** On average, customers save up to 62% on heating costs when switching from oil to natural gas.** Calculate how much you can save at peco.com/ToolsandCalculators
- **Get rebates:** Install high efficiency ENERGY STAR® natural gas appliances and receive rebates up to \$600 from PECO. Go to peco.com/NaturalGasHomeRebates for details

Please review the Frequently Asked Questions (FAQs) on the next page. If you have any further questions, please email naturalgas@peco.com or call 215-841-4006.

Sincerely,

PECO Neighborhood Pilot Team

PECO Smart Natural Gas Conversion Program FAQs

Are there requirements for participating in the program?

Yes, homes must be in Bucks, Chester, Delaware, Lancaster or Montgomery counties and be eligible to receive PECO natural gas service as a residential customer. An existing active natural gas main cannot be in front of the homes. Projects will occur on a first-come, first-served basis once eligibility criteria are met. Funds for this program are limited and subject to availability.

What is included in the cost of the installation?

The installation cost includes extending the natural gas main through your neighborhood, installing a natural gas line to your home, and the installation of the natural gas meter.

Why is there a charge to bring natural gas to my neighborhood?

PECO provides significant credits to reduce the cost of bringing natural gas to your neighborhood, including the neighborhood's expected gas usage and 40 feet allotment of gas main per residence. If these credits do not cover the entire installation cost, customers receiving gas service must contribute to the cost per the approved Tariff.

Why is the installation cost lower if more houses return applications?

The more neighbors who return an application, the greater the upfront credit from PECO to offset a neighborhood's project costs.

Will my neighbors have to pay for the natural gas main in the street if they connect after the line is installed?

Yes. For the next 20 years, all residents included in the neighborhood project who connect after the installation of the natural gas main will pay the same charge.

What happens if I sell my house before I've paid in full any amounts owed?

The gas main installation charges will be assigned to the home. If you move, the buyer of the home will be required to assume the charge. The balance also could be paid off in a lump sum at any time, including settlement. The home seller must notify the buyer of the obligation to pay any remaining charges.

Who will install my natural gas equipment/appliances? How do I find an HVAC contractor?

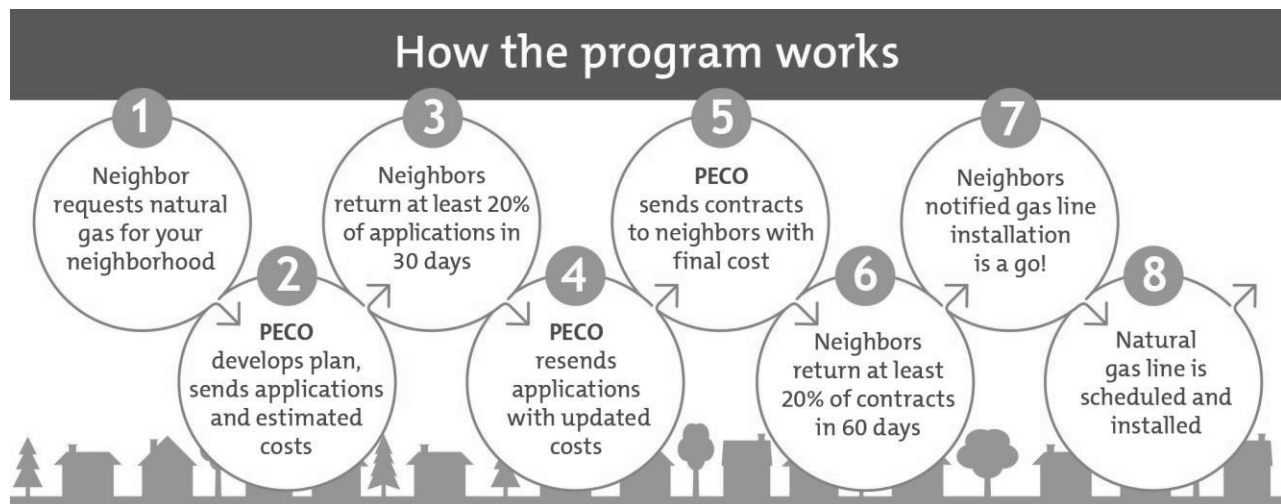
PECO does not install natural gas equipment or appliances. If you need a contractor, contact the Electrical Association of Philadelphia (EAP) at **610-825-1600** or visit **EAP.org** and select the "Find a Contractor" button.

How clean is natural gas?

Natural gas is the cleanest burning fossil fuel. It is highly efficient and emits considerably less carbon dioxide, sulfur, nitrogen, and particulates. This results in a smaller environmental impact compared to other energy sources.

How long is the process from application to installation?

The estimated timeframe for the entire process is six to nine months from the date of this letter.



** Customer cost is estimated based on distance of the natural gas main route, returned applications, average price, number of homes along the route, and the average customer usage. Contract price will be provided in customer contract once design has been completed. Monthly charge includes annual interest rate of 6.76% and 1% uncollectible fee. PECO will spend up to \$5 million on installations under this pilot program per year not to exceed \$25 million for the current pilot period.*

*** Source: US Energy Information Administration Short-term Energy Outlook for heating oil price of \$3.58/gallon and propane price of \$2.97/gallon as of 01/31/2022 for Pennsylvania excluding taxes. PECO natural gas price of \$1.01/ccf excluding customer charge based on PECO residential gas rate as of 03/01/2022. Historical prices do not guarantee future savings. www.eia.gov/forecasts/steo*

Non-Binding Application for PECO Neighborhood Pilot Natural Gas Project #2123

NOTE: IF YOU RETURNED AN APPLICATION AFTER 7/1/2021, NO NEED TO RETURN ANOTHER.

You and your neighbors can be a part of a PECO program that extends natural gas mains into neighborhoods where natural gas is not currently available. **Please return this completed application within 30 days by email to naturalgas@peco.com or with the enclosed self-addressed envelope.** This application only indicates your interest in the program. It is not a legally binding contract. The more applications PECO receives, the lower the cost.

Your Name	CAROLE CANCELMO	E-Mail	
Your Address	172 SULLIVAN RD	Mailing address (Enter NA if same)	
City/State/Zip	WAYNE, PA 19087	Do you Own or Rent your home?	OWN <input type="checkbox"/> RENT <input type="checkbox"/>
Phone:	6106887881		

1. TYPE OF RESIDENCE

Single-family home
 Apartment/Condo
 Home Business
 Townhouse/Row Home

Other

2. CURRENT HEATING SOURCE: (If you do not know your annual usage, please estimate)

<input type="checkbox"/> Electric		kwh/yr	<input type="checkbox"/> Propane		gal/yr
<input type="checkbox"/> Oil		gal/yr	<input type="checkbox"/> Other		/yr

3. NATURAL GAS APPLIANCES THAT YOU EXPECT TO INSTALL

Natural Gas Appliance (Heater, Hot Water Heater, BBQ, Range, Dryer, Generator, Fireplace etc.)	How many?	BTU's of new unit (if known)

4. APPROXIMATE SQUARE FOOTAGE OF YOUR HOME

5. APPROXIMATE AGE OF YOUR CURRENT HEATER:

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- Did a neighbor let you know about this program? If so, please list that neighbor's name below:

- **IMPORTANT – Additional completed non-binding applications returned by 5/8/2022 will help lower the cost.**
- Please note: Once pricing is finalized, contracts will be sent. The Neighborhood Pilot natural gas project will occur if at least 12 customers return signed contracts within 60 days. Signing a contract will require the installation of at least one natural gas appliance within 18 months.

"Yes. Given the information provided, I understand this is only a non-binding application expressing my interest in natural gas. This is not a contract for natural gas service."

• Your Signature: _____

Date: _____

EXHIBIT 3

June 6, 2022

**CAROLE CANCELMO
172 SULLIVAN RD
WAYNE, PA 19087**

RE: PECO Neighborhood Pilot Natural Gas Program
172 SULLIVAN RD

Dear **CAROLE CANCELMO**,

We are pleased to inform you that we have received enough Neighborhood Pilot applications to offer a contract for natural gas service to you and your neighbors. Enclosed for your consideration is a contract outlining the contract price and terms and conditions for your natural gas main extension and service line.

There are 56 homes along your route and 44% of these homes returned applications

Your neighborhood has been credited with 66% applications in accordance with the current Gas Tariff

Your contract price is either:

\$53.18 per month for 20 years at 7.80% interest, on your PECO bill

Or a \$6,897.09 upfront payment

These prices may be different from the estimate you received in the initial application. The contract price is determined by the distance and cost of the natural gas main installation and also includes credits provided for applications, the number of homes along the route, the expected annual customer usage, and the 40 feet of gas main per residence allotment.

At least 12 eligible customers along the route must sign and return all pages of the contract by 08/05/2022 to begin the work to install the natural gas main. Please return your signed contract to naturalgas@peco.com or by using the enclosed envelope. Please do NOT attach payment when returning this contract.

Switching to natural gas is a great choice – it's clean, domestic, reliable and economical. On average, customers save up to **64%** on heating costs when switching from oil to natural gas.* Enjoy added savings by installing High Efficiency ENERGY STAR® natural gas appliances and receive rebates from PECO. Go to peco.com/NaturalGasHomeRebates for details.

If you have any questions, please email naturalgas@peco.com or call us at 215-841-4006.

Sincerely,

PECO Neighborhood Pilot Team

* Source: US Energy Information Administration Short-term Energy Outlook for heating oil price of \$4.95/gallon and propane price of \$3.24/gallon as of 03/28/2022 for Pennsylvania excluding taxes. PECO natural gas price of \$1.33/ccf excluding customer charge based on PECO residential gas rate as of 06/01/2022. Historical prices do not guarantee future savings. www.eia.gov/forecasts/steo

PECO Energy Company
AGREEMENT FOR RESIDENTIAL NATURAL GAS SERVICE UNDER THE NEIGHBORHOOD GAS PILOT RIDER

This Agreement is made on the 6 day of June, **2022**, by and between PECO Energy Company (“PECO”) with a business address at 2301 Market Street, Philadelphia, Pennsylvania, CAROLE CANCELMO (“Owner”) who owns the residence located at **172 SULLIVAN RD** (the “Premises”) and, if the Premises is not Owner occupied, _____ (“Tenant”) who is a tenant at the Premises. PECO and Customer, as defined in Section 1 below, may be individually referred to in this Agreement as a “Party” or collectively as the “Parties”. This Agreement is for the installation of natural gas facilities required to provide natural gas service to the Neighborhood, as hereafter defined, that includes the Premise, pursuant to the Neighborhood Gas Pilot Rider (“NGPR”) set forth in PECO’s Tariff Gas-Pa P.U.C. No. 4 on file with, and approved by, the Pennsylvania Public Utility Commission and as such tariff may be amended or superseded from time to time (“Tariff”).

WHEREFORE, in consideration of the obligations and the mutual promises set forth herein, and intending to be legally bound hereby, the Parties agree as follows:

1. DEFINITIONS. Wherever used in this Agreement with initial capitalization, the following terms shall have the meanings specified or referred to in this Section 1:

- 1.1 **Agreement.** This Agreement for Residential Natural Gas Service.
- 1.2 **Agreement Date.** The date the Agreement is executed by both Parties. If the Agreement is executed by the Parties on different dates, the later date shall be the Agreement Date.
- 1.3 **Customer.** The Owner, or, if the Premises is leased and the account for gas service furnished to the Premises is, or will be, in the name of the Tenant and not the Owner, then the Owner and Tenant.
- 1.4 **Effective Date.** The Effective Date of this Agreement shall be the date on which all of the following conditions have been satisfied: (a) not less than twenty percent (20%) of the existing residences within the Neighborhood of which Premises is a part that are located along the proposed new main extension commit to receive natural gas service by signing an Agreement for Residential Gas Service; (b) PECO has determined that it has adequate system capacity available to be able to serve the customers in the Neighborhood who are otherwise eligible to receive natural gas service from the proposed new main extension; and (c) PECO’s total investment under the NGPR, including the expected investment for the Project, will not exceed the \$25,000,000 limitation on total pilot program investment during the five-year term of the NGPR pilot program (July 1, 2021-June 30, 2026).

1.5 **Installation Cost.** Total cost of new main(s) (excluding 40 feet gas main allotment per existing residence) and service facilities installed under the NGPR, excluding the costs of meters and meter installations, to serve eligible customers.

1.6 **Neighborhood.** Pursuant to the terms of the NGPR, PECO shall determine what constitutes a Neighborhood for purposes of determining the availability of service for each customer in the Neighborhood.

1.7 **Net Present Value (“NPV”) Calculation.** The NPV of the Project will be calculated in accordance with the methodology provided in the NGPR. In calculating the NPV, PECO will consider both the Installation Cost of the Project and the anticipated revenues from the Project. The anticipated revenues from the Project shall consist of: (1) the revenues from 20% (or greater) of eligible customers signing a contract prior to the installation of any facilities to take natural gas service within one year of completion of the Project; and (2) additional revenues will be applied in the first year based on the assumption a minimum of 66% of the eligible customers within the project area will sign a contract for natural gas service within 20 years of the completion of the project.

1.8 **NGPR Charge.** The per customer charge calculated for the Project pursuant to the methodology set forth in the NGPR. The NGPR Charge shall apply to all customers taking service from the proposed new main extension serving the Neighborhood within 20 years of the completion of the Project. This charge will show up on the Customer’s PECO bill as the “Natural Gas Conversion Charge” or “NGCC.”

1.9 **Project.** The Project consists of all facilities, including, without limitation, mains, valves, and auxiliary equipment, as well as the cost to obtain any private rights-of-way determined by PECO to be necessary to extend natural gas service to the Neighborhood.

2. CUSTOMER’S OBLIGATIONS.

2.1 **Payment of NGPR Charge.**

Customer shall be obligated to pay the NGPR Charge calculated for the Project. The NGPR provides that customers may pay their NGPR Charge as either: (a) a single payment which could either be made to PECO before PECO begins construction of the Project (“Lump-Sum Payment Option”) or as the result of the Customer’s right to pay the present value of the remaining Monthly NGPR Charges at any point during the remainder of the 20-year payment period; or (b) a fixed charge that will appear on the monthly service bills for each customer in the Neighborhood over a 20-year payment period (“Fixed Monthly Charge Payment Option”). Payment of the NGPR Charge does not provide Customer any title to or ownership interest in any PECO natural gas service facilities, all of which shall be and remain the property of PECO exclusively. Customer payment information will be provided to Customer after confirmation of the Project and no payment should be provided to PECO when the Customer returns this Agreement.

2.2 **Lump-Sum Payment Option.**

If Customer chooses the Lump Sum Payment Option, then, Customer shall pay in full to PECO, prior to the installation of any facilities by PECO, an NGPR Charge in the amount of **\$6,897.09**. Instructions for how to process this payment will come in the form of a Disclosure Statement, to be provided upon the Effective Date of this Agreement. In addition, if the Customer initially selects Fixed Monthly Charge Payment Option, the Customer retains the right to pay the present value of the remaining Monthly NGPR Charges at any point during the remainder of the 20-year payment period. PECO will not accept partial payments of a Lump Sum Payment amount.

2.3 **Fixed Monthly Charge Payment Option**

If the Customer chooses the Fixed Monthly Charge Payment Option, then, the Company will collect the NGPR Charge through a monthly charge (the “Monthly NGPR Charge”) to each of Customer’s monthly bills for gas service at an amount of **\$53.18**. Notwithstanding its selection of the Fixed Monthly Charge Payment Option, the Customer retains the right to pay the present value of the remaining Monthly NGPR Charges at any point during the remainder of the 20-year payment period. If Customer fails to pay the full amount of the Monthly NGPR Charge that appears on any monthly bill for service within the time for payment specified on such bill, a late payment charge of one-and-one-half percent (1.5%) per month will accrue on the unpaid portion of the bill attributable to the Monthly NGPR Charge.

2.4 **Environmental Conditions.** Prior to PECO’s beginning to install any gas facilities, Customer must provide to PECO in writing all available information regarding potential or actual contamination, waste or similar material, sink holes, and/or other adverse environmental or hazardous conditions on or near the Premises where PECO facilities are to be located. In addition, Customer must provide to PECO in writing all available information regarding all privately-owned underground facilities installed at Customer’s property, such as underground storage tanks, drains, sprinkler systems, cable lines, electric wires, invisible fences, etc. These private facilities must be located and clearly marked by Customer. PECO assumes no liability for any damage to Customer facilities during the installation of PECO’s natural gas facilities that results from Customer’s failure to provide PECO with the information identified in Section 2.4 of this Agreement.

2.5 **Installation of Appliances.** Within eighteen (18) months of the Agreement Date, Customer shall install and connect natural gas appliances and initiate natural gas service with PECO. Customer is responsible for extending the natural gas piping within Customer’s building (“fuel lines”) through the building wall to the outdoor meter location and for pressure testing the fuel lines. Fuel lines that are run through the wall must be a minimum of one (1) inch in diameter. Customer further agrees that the installation of the gas appliances and the fuel lines must be in compliance with the then existing National Fuel Gas Code, PECO’s addendum to that Code, and all local codes, as the same may be amended from time to time. When conflicts exist among codes, the more stringent of the codes shall be deemed to apply unless the local authority having jurisdiction approves a variance or other change. Customer is responsible for ensuring, prior to installing its appliances, that such appliances will operate at the pressures available in the proposed new main extension over the full range of operating conditions on PECO’s distribution system. PECO will not be responsible, and will not incur any liability, for Customer-installed appliances or other Customer equipment that will not operate because the pressure requirements for such appliances or equipment are inconsistent with the pressure available in the proposed new main extension over the full range of operating conditions on PECO’s distribution system.

2.6 **Proof of Installation.** At any time after eighteen (18) months from the Agreement Date, upon request by PECO, Customer shall provide PECO documentary proof that all natural gas appliances have been installed by Customer at the Premises. Documents that will satisfy Customers' obligation are receipt(s) showing purchase of appliance(s); invoice(s) or contract(s) for the installation of appliance(s); or any other documents acceptable to PECO that provide reasonable evidence that this condition has been satisfied.

2.7 **Reimbursement.** If Customer fails to install and connect its natural gas appliances and initiate gas service within eighteen (18) months of the Agreement Date, Customer shall reimburse PECO in an amount equal to the revenues attributed to such Customer in the Company's Project NPV Calculation, except that no reimbursement shall be required if the anticipated revenues for any appliance(s) that are installed exceeds the NGPR Charge. In no event shall the total reimbursement required under this section exceed the NGPR Charge.

2.8 **Meter Installation.** Customer **must** contact PECO's metering department at the appropriate number listed below, to arrange for the installation of a gas meter, witnessing of the fuel line pressure test, and application of the air test, after the installation of PECO Energy's natural gas facilities and the installation of Customer's appliances has been completed. Please do not contact PECO until after you have been notified that the main extension will occur.

PECO Gas Department:
Bucks or Montgomery County: (610) 941-1586
Delaware or Chester County: (610) 490-3158

PECO will make a good faith effort to install the meter at the location chosen by Customer as indicated below when facing the house from the street:

Left side wall, 2 ft. from front of house:

Right side wall, 2 ft. from front of house:

Front House wall:

Please select one from above. No rear property service of the meter is permitted.

2.9 **Right-of-way.** By separate document, Customer shall grant PECO a right-of-way for purposes of installing the required natural gas service facilities on Customer's Premises pursuant to this Agreement.

2.10 **Restoration and Paving.** Customer is responsible to perform and pay for all paving and final restoration work required on Customer's Premises after the installation by PECO of the facilities pursuant to this Agreement.

2.11 **Ownership of the Premises.** Owner warrants that it is the owner of the Premises on the Agreement Date. If it is determined that Owner did not own the Premises on the Agreement Date, this Agreement will automatically become null and void and PECO will refund Customer any NGPR Charge previously paid to PECO.

2.12 **Transfer of Ownership of the Premises.** In the event that Owner transfers ownership of the Premises after the Agreement Date, the obligation to pay any remaining amount of the NGPR Charge shall transfer to the new owner of the Premises. Owner must notify the new owner of the obligation to pay any remaining NGPR Charge associated with the Premises.

2.13 **Obligation to Notify New Tenant.** If, after the Agreement Date, the Premises is leased by the Owner to a Tenant other than the Tenant that executes this Agreement and the account for gas service furnished to such new Tenant will be in the name of the Tenant, the Owner must notify such Tenant of the obligation to pay any remaining NGPR Charge associated with the Premises.

3. **PECO'S OBLIGATIONS.**

3.1 **Permits and Rights-of-way.** PECO shall exercise reasonable diligence to obtain all necessary permits and rights-of-way required for all the installation of the natural gas service facilities to serve the Customer. To the extent that such permits and rights-of-way cannot be obtained or obtained in a timely manner, PECO shall not be responsible for any damages or losses incurred by Customer.

3.2 **Installation of Natural Gas Facilities.** Upon fulfillment of the terms and conditions set forth in Section 2 of this Agreement, PECO will proceed with reasonable diligence to complete the installation of all natural gas facilities necessary to provide natural gas service to Customer.

3.3 **Meter Installation.** Upon the fulfillment of the terms and conditions set forth in Sections 2.4 and 2.5 of this Agreement, PECO will proceed with reasonable diligence to install gas metering equipment.

4. **Contract Offer Term.** The terms and conditions of PECO's offer reflected in this Agreement are revoked by PECO if it has not received this Agreement fully executed by the Customer within sixty (60) days from the date first written above.

5. **Subcontractors.** The Parties may subcontract any or all of their obligations under this Agreement provided that the obligations subcontracted meet PECO's standards. The Parties shall at all times be responsible for the acts and omissions of their subcontractors and persons employed by them. Unless specifically provided in a separate agreement, nothing in this Agreement shall create any contract between a subcontractor and the Parties or any obligations on the part of the Parties to pay, or to be responsible for the payment of, any sums to any subcontractors.

6. **Force Majeure.** The Parties' performance under this Agreement, other than payment of amounts already due, shall be excused if such nonperformance is due to acts or occurrences which are not voluntary by such Party or its affiliates and beyond their reasonable control, including, without limitation, governmental orders not based on the qualifications or acts of PECO or its equipment, municipal restrictions on street openings, civil commotion, acts of nature, weather disturbances or adverse weather conditions, and other circumstances beyond the Parties' reasonable control.

7. **Adverse Conditions.** PECO may terminate this Agreement by written notice to Customer, upon notice or detection of any adverse condition(s) set forth in Sections 2.4 of this Agreement or any other unforeseen site condition(s) that: (a) render it operationally unreasonable or unsafe for PECO to perform its obligations under this Agreement; or (2) substantially increase the Installation Cost. Such termination shall excuse PECO from performance of its obligations under this Agreement.
8. **Regulatory Approvals.** The provision of the obligations hereunder by PECO shall be subject to the receipt of all required regulatory approvals. PECO shall be responsible for obtaining any regulatory approvals it needs to perform its obligations under this Agreement. Pursuant to the terms of the NGPR, PECO reserves the right to suspend the NGPR pilot program if, in its sole judgment, critical safety or reliability related issues require that the resources that would be used to implement the NGPR are needed to maintain safe and reliable natural gas service to its existing customers, and PECO shall be the sole judge in establishing what constitutes a neighborhood when determining the availability under this pilot program.
9. **Waiver.** No term or condition of this Agreement or breach thereof shall be deemed waived except by written consent of the Party against whom the waiver is claimed. Any waiver of the breach of any such term or condition shall not be deemed a waiver of any preceding or succeeding breach of the same term or condition or any other term or condition.
10. **Tariff.** This Agreement, and all fees, charges and surcharges for service hereunder, in all respects shall be and remain subject to the applicable provisions of PECO's Tariff.
11. **Entire Agreement.** This Agreement, including any Appendices attached hereto and made part hereof, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and merges and supersedes all prior written and oral understandings, offers, agreements, commitments, representations, writings, discussions or other communications of every kind between the Parties pertaining to the installation of natural gas facilities for the Customer, and constitutes the entire agreement between the Parties with respect to its subject matter, and as to all other representations, understandings, or agreements which are not fully expressed herein.
12. **Limitation of Liability.** Absent gross negligence or willful and wanton misconduct, neither PECO nor Customer shall be liable under this Agreement or under any cause of action relating to the subject matter of this Agreement for any special, indirect, incidental or consequential damages. Under any circumstances, PECO's liability to the Customer shall not exceed the amount of the NGPR Charge.

13. **Assignment**. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but none of the Customer's rights, interests or obligations hereunder shall be assigned or delegated without the prior written consent of PECO.

Owner Signature

PECO Representative Signature

Owner Name Printed

PECO Representative Name Printed

Email address

Dated: _____

Phone #

Dated: _____

Tenant Signature (If Applicable)

Tenant Name Printed

Dated: _____

Work Order No.
Request No.

EXHIBIT 4



October 25, 2022

Case Details Report

BCS Case #: 003856018 **BCS Bill Account #:** N/A
Customer Name: DONALD P CANCELMO
Service Address: 172 SULLIVAN RD

WAYNE, PA 19087
Mailing Address:

Home Phone: (610) 688-7881
Business Phone: () -
Business name:
Alternate contact:

Date Case Opened: 2022-08-08 **Date Cut Out:** 9999-12-31
PAR Case: N
Investigator Name: BCS CASE POOL
Investigator Phone: (717) 787-5468 **Universal Service:** N
Service class: R **Contact Type:** PUC WEBSITE
Previous case #: **Amount in Arrears:** \$0.00

Adults: 0
Children: 0
Children Ages:
Gross Income: \$0.00
Miscellaneous Info:

Complaint Reason:
SERVICE (CO. FACILITIES) (# 48)

Customer Problem Description:

RE: PECO NEIGHBORHOOD PILOT NATURAL GAS PROGRAM THE CONTRACT PRICE TO PARTICIPATE IN THIS PROGRAM FOR HOMEOWNERS IN MY NEIGHBORHOOD (PROJECT #2123) IS \$6,897. I HAVE BEEN INFORMED THAT THE CONTRACT PRICE FOR HOMEOWNERS IN AN ADJACENT NEIGHBORHOOD (THAT INCLUDES THOMAS JEFFERSON ROAD) IS ONLY \$2,080. THIS TREMENDOUS PRICE DIFFERENTIAL IS UNFAIR AND UNACCEPTABLE. THE METHODOLOGY BEING EMPLOYED TO CALCULATE THE COSTS TO BE PASSED ON TO THE HOMEOWNERS IS CLEARLY FLAWED FOR THERE TO BE SUCH A HUGE COST DISPARITY BETWEEN NEIGHBORHOOD PROJECT GROUPS. I HAVE NEVER HEARD OF OTHER UTILITIES



October 25, 2022

CHARGING SUCH DISPARATE CONNECTION FEES. - RELIEF SOUGHT - INSTITUTE A FAIR AND REASONABLE, FIXED CONNECTION FEE (IE \$2,000) FOR ALL NEW NATURAL GAS LINE CONNECTIONS TO A HOMEOWNERS RESIDENCE. THE CELL PHONE NUMBER (484) 557 - 4957 HAS BEEN ALLOWED TO BE SHARED. THE EMAIL ADDRESS DCANCELMO@VERIZON.NET HAS BEEN ALLOWED TO BE SHARED.

Company Position:

08/06/2022 I SENT AN EMAIL (STEVE KASMAN OF EXELON), HOWEVER, I INDICATED THAT I DID NOT EXPECT A REPLY. I HAVE NOT YET HAD A REPLY, BUT I HAVE SINCE LEARNED THAT THE RECIPIENT IS ON VACATION.

BCS Decision Report

BCS Case #:	003856018	Open Date:	2022-08-08
Customer Name:	DONALD CANCELMO		
Service Address:	172 SULLIVAN RD		
	WAYNE, PA 19087		
BCS Bill Account #:	N/A	Previous Case #:	
Violation Type:	NO	Chapter Type:	
Decision Type:	W	Section / Rule:	
Investigator Name:	JOHN AUSTIN		
Decision Issued Date:	2022-09-01		
Case Closed Date:	2022-09-01		

Letter Description:
SHORT BLANK LETTER

Total Balance:	\$0.00	Balance Date:	2022-08-31
Amount to Restore Service:	\$0.00	Amount to Continue Service:	\$0.00
Date Payment Due:		Regular Budget Amount:	\$257.00
Special Budget Payment:	\$0.00	Final Bill Monthly Payment:	\$0.00
Plus Arrears Payment:	\$0.00	End of Month Payment:	\$0.00
Current Monthly Payment:	\$0.00		
Payment Terms:			

PAR Description:

October 25, 2022

Resolution Description:

DISMISSAL LETTER SENT. THE COMPANY REPORTED THE PROVIDED CONTRACT COSTS ARE CORRECT AND IN ACCORDANCE WITH THE COMPANY'S PUC-APPROVED GAS TARIFF/NEIGHBORHOOD GAS PILOT RIDER (NGPR). PER THE NGPR THE COMPANY SHALL BE THE SOLE JUDGE IN ESTABLISHING WHAT CONSTITUTES A NEIGHBORHOOD WHEN DETERMINING THE AVAILABILITY UNDER THIS PILOT PROGRAM. ON 9/1/2022 I SPOKE WITH THE CUSTOMER BY PHONE, AND WE DISCUSSED HIS INFORMAL COMPLAINT. ADDITIONALLY, THE CUSTOMER REQUESTED THAT I SEND A DISMISSAL LETTER TO HIM. AT THE INFORMAL LEVEL, THE BUREAU OF CONSUMER SERVICES HAS LIMITED JURISDICTION OVER THIS TYPE OF SERVICE ISSUE, AND AS A RESULT, WE HAVE CLOSED THIS INFORMAL COMPLAINT. FORMAL COMPLAINT RIGHTS PROVIDED TO CUSTOMER.

EXHIBIT 5

NEIGHBORHOOD GAS PILOT RIDER (NGPR)**AVAILABILITY**

The Neighborhood Gas Pilot Rider (NGPR) is available to any existing residential neighborhood that: (1) applies for natural gas service within the Company's service territory under Rate Schedules GR or CAP; (2) would be required to pay the portion of the main extension and service line project costs that exceed the Company's capital investment under Rule No. 7 – Extensions of the Company's gas service tariff ("Rule No. 7") for an extension of the Company's distribution facilities needed to furnish natural gas service to a neighborhood; and (3) meets the Program Criteria set forth below.

The NGPR will close for new main extension projects on June 30, 2026 unless the Company decides to extend this program and the extension is approved by the Commission. The Company reserves the right to suspend the pilot program if, in its sole judgment, critical safety or reliability related issues require that the resources that would be used to implement the NGPR are needed to maintain safe and reliable natural gas service to its existing customers. The Company shall be the sole judge in establishing what constitutes a neighborhood when determining the availability under this pilot program.

NATURE OF THE NGPR

The NGPR provides customers in a neighborhood an alternative method of making the payment required by Rule No. 7 when the extension of distribution facilities needed to serve eligible new customers is not economically justified based on the anticipated revenues from natural gas distribution service that would be provided to customers served by such extension. The NGPR provides for a fixed charge (NGPR Charge) to be added to the customer's bill or an option to pay via a lump sum payment. The NGPR Charge shall be calculated separately for each main extension project and shall be based on the cost of that particular project in the manner described below for each customer served from such main extension project.

PROGRAM CRITERIA

For a main extension project to qualify for the NGPR, the neighborhood must consist of 2 or more existing residences, and the cost for such project must equal or exceed \$15,000 and must meet the following additional criteria:

- (1) A minimum of twenty percent (20%) of the existing residences located along the new main extension must commit to receive natural gas service by signing an agreement prior to the start of construction.
- (2) The Company must have adequate system capacity to serve the customers that are eligible to receive natural gas service from the main extension; and
- (3) The Company's total investment under this pilot program is limited to no more than \$25,000,000 over five (5) years. The five-year period that this pilot program is in effect shall commence on July 1, 2021 and, as set forth above, shall close on June 30, 2026.

CALCULATION OF THE NGPR CHARGE

A Net Present Value (NPV) economic test (based on 40 years of revenue for each customer) shall be used to determine the payment required by Rule No. 7.

Pursuant to Rule No. 7, if the NPV of the capital investment (excluding 40 feet gas main allotment per existing residence) and the associated estimated revenues is less than zero, a customer is required to make a payment to the Company in an amount that would produce an NPV of zero, exclusive of any tax on the NGPR. For purposes of this NGPR, however, in calculating the NPV, the anticipated revenues from natural gas service shall consist of: (1) the revenues from 20% (or greater) of eligible customers signing a contract prior to the start of construction to take natural gas service in the first year, which is one of the Program Criteria that must be satisfied for a project to be eligible for the NGPR; and (2) additional revenues will be applied in the first year based on the assumption a minimum of 66% of the eligible customers within the project area will sign a contract for natural gas service within 20 years of the completion of the project.

Capital investment shall include the total cost of new main(s) (excluding 40 feet gas main allotment per existing residence) and service facilities installed under the NGPR, excluding the costs of meters and meter installations, to serve eligible customers.

Estimated revenues shall be based on the applicable variable distribution charge rate set forth in the Company's gas service tariff, the estimated annual consumption and the portion of the fixed distribution charge that is attributable to the capital costs of a service line.

NEIGHBORHOOD GAS PILOT RIDER (NGPR) - Continued

Because the NGPR permits payment over time, rather than a lump-sum payment prior to the start of construction of main extension projects, as Rule No. 7 requires, the NGPR Charge will recover a reasonable return on the Company's capital investment in new facilities installed pursuant to the NGPR. For purposes of the NGPR calculation, the discount rate shall be determined on the basis of (1) the Company's capital structure and cost of long-term debt set forth in the Company's latest year-end Quarterly Earnings Report submitted to the Commission by March 31 of a year for the period ending December 31 of the previous year; and 2) the cost of equity approved in the most recent base rate case or, in the absence of a Commission determination or Commission approval of a stipulated cost of equity, the cost of equity that the Commission has determined should apply to Distribution System Improvement Charge ("DSIC") investment.

The NGPR shall be calculated to enable the project to have an NPV of zero based upon the above cost of capital. The resulting charge shall be increased by 1% by dividing the calculated rate by 0.99 to reflect an adjustment for uncollectible accounts expense.

BILLING

The NGPR Charge shall appear as a fixed monthly charge on the customer's bill.

The NGPR Charge calculated for a specific main extension will apply to all customers taking service from that main extension including any future customers that connect after the first year of the project.

For CAP customers, the NGPR charge will not be subject to the CAP discount.

If a customer fails to pay the full amount of any bill, a late payment charge of one and one-half percent (1.5%) per month will accrue on the portion of the bill that is unpaid on the due date.

PAYMENT TERMS

NGPR Charges shall be calculated based on input data specific to each project undertaken pursuant to the NGPR and shall be in effect for 20 years for each customer taking gas service from the main installed under this pilot within 20 years after the project has been completed.

The customer shall retain the right to pay the present value of the remaining monthly payments at any point in time during the 20 year period. Payments shall be present valued using PECO's after-tax cost of capital which shall be based on the sources as described above.

Service shall not be terminated for non-payment of this charge during the pilot program.

The STATE TAX ADJUSTMENT CLAUSE applies to this rider.