

COMMONWEALTH OF PENNSYLVANIA



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January 13, 2023

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

Re: Settlement Agreement in the Pennsylvania
Commonwealth Court matter of
Pennsylvania Public Utility Commission v.
the Delaware Valley Regional Economic
Development Fund, No. 491 MD 2018
Docket Nos. M-2022-3033879, M-2010-
2176183, R-00973953, P-00971265

Dear Secretary Chiavetta,

On December 8, 2022, the Pennsylvania Public Utility Commission (Commission) issued its Tentative Order in the above-referenced dockets. The Commission and the Delaware Valley Regional Economic Development Fund (DVREDF) entered into a Settlement Agreement regarding the future use of \$6.1 million collected from PECO Energy Company- Electric Division ratepayers as a part of the *1998 PECO Restructuring Settlement Order*. See Tentative Order; *Joint Petition at Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al.*, 1998 PA. PUC LEXIS 116 (May 14, 1998) (*1998 PECO Restructuring Settlement Order*). Under the *1998 PECO Restructuring Settlement Order*, the allocated funds were to be used by DVREDF in order “to promote the development and use of renewable energy and clean energy technologies, energy conservation and efficiency, and economic development projects which promote clean energy.” See Tentative Order at 8. The funds were specifically to be used by DVREDF for economic development projects in the PECO service territory which would have a job impact. See Tentative Order at 9. The Settlement proposes to amend the *1998 PECO Restructuring Settlement Order* to reflect the intended use of the Settlement funds. See Tentative Order at 9. The Tentative Order requests comments regarding how the settlement amount should be distributed among PECO’s hardship fund, Universal Service Programs, PECO customer rate relief, and the Sustainable Development Fund. Tentative Order at 10.

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Page 2

The Office of Consumer Advocate (OCA) provides this letter in lieu of comments. The OCA recommends that the \$6.1 million identified in the Settlement be returned to ratepayers as PECO customer rate relief. Under the 1998 PECO Restructuring Settlement, the dollars were collected from all ratepayers for the express purpose of clean energy development projects that would provide a job impact for economic development. The proposed PUC/DVREDF Settlement in this case provides that the original use of the funds will not be fulfilled by DVREDF. Since the 1998 PECO Restructuring Settlement purpose cannot be fulfilled, the OCA recommends that the appropriate course of action is to return the \$6.1 million to all ratepayers.

If you have any questions, please contact me at (717) 599-8954.

Sincerely,

/s/ Christy M. Appleby

Christy M. Appleby

Assistant Consumer Advocate

PA Attorney I.D. # 85824

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Enclosures:

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Certificate of Service

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CERTIFICATE OF SERVICE

Settlement Agreement in the Pennsylvania : Docket Nos. M-2022-3033879
Commonwealth Court matter of *Pennsylvania* : M-2010-2176183
Public Utility Commission v. the Delaware : R-00973953
Valley Regional Economic Development Fund, : P-00971265
No. 491 MD 2018 :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Letter In lieu of Comments, 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 13th day of January 2023.

SERVICE BY E-MAIL ONLY

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