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May 6, 2024

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. PECO Energy Company – Electric Division;
Docket No. R-2024-3046931**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of the Philadelphia Area Industrial Energy Users Group ("PAIEUG"), in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Charis Mincavage'.

Charis Mincavage
MCNEES WALLACE & NURICK LLC

Counsel to the Philadelphia Area Industrial Energy Users Group

c: Darlene Heep, Administrative Law Judge (via e-mail)
Marta Guhl, Administrative Law Judge (via e-mail)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA E-MAIL

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Certificate of Service

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Charis Mincavage

Counsel to the Philadelphia Area Industrial
Energy Users Group

Dated this 6th day of May, 2024, in Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2024-3046931
	:	
PECO Energy Company (Electric)	:	

**PREHEARING MEMORANDUM
OF THE PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP**

As requested by Administrative Law Judges ("ALJs") Darlene Heep and Marta Guhl in the Prehearing Conference Order dated April 29, 2024, the Philadelphia Area Industrial Energy Users Group ("PAIEUG") hereby submits this Prehearing Memorandum.

I. HISTORY OF THE PROCEEDING

On March 28, 2024, PECO Energy Company ("PECO" or "Company") filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") proposed Tariff Electric – Pa. P.U.C. No. 8 ("Tariff No. 8"), proposed to become effective on May 27, 2024. Through the filing, PECO requested an increase in its annual distribution revenue of approximately \$464 million and a one-time credit of \$64 million, resulting in a net increase of \$399 million.

On April 24, 2024, PAIEUG filed a Complaint in this proceeding. A description of PAIEUG is set forth in Paragraph 5 of PAIEUG's Complaint.

On April 25, 2024, the Commission suspended PECO's proposed filing by operation of law until December 27, 2024, and instituted an investigation into the Company's proposed Tariff No. 8.

A Prehearing Conference has been scheduled in this proceeding for May 7, 2024.

II. ANTICIPATED ISSUES AND SUB-ISSUES

PAIEUG's preliminary review of the Company's filing indicates a need for Commission investigation into at least the following issues:

- a) whether the size of the requested rate increase is appropriate;
- b) whether the expenses claimed by PECO were prudently incurred;
- c) whether the allocation of the proposed increase among customer classes is just, reasonable and non-discriminatory;
- d) whether the return on equity proposed by PECO results in a fair rate of return;
- e) whether the rate design and rate structure proposed by PECO are appropriate; and
- f) whether PECO's claimed Cost of Service Study ("COSS") is accurate and legitimate.

PAIEUG anticipates pursuing these issues during this proceeding and reserves the right to raise further issues and to respond to all issues raised by other parties.

III. PROPOSED WITNESSES

PAIEUG expects to sponsor testimony regarding the aforementioned issues by the following witnesses:

Mr. Jeffrey Pollock
J. Pollock, Inc.
14323 South Outer 40 Rd., Suite 206N
Town and Country, MO 63017
Phone: (314) 878-5814
JCP@jpollockinc.com

Billie S. LaConte
J. Pollock, Inc.
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Town and Country, MO 63017
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PAIEUG reserves the right to modify or supplement this witness list during the course of this proceeding. In the event that PAIEUG decides to modify or supplement the witness list, it will inform the parties and the ALJs as soon as possible of the intended witnesses. PAIEUG also intends to participate in this proceeding through the submission of discovery, cross-examination

of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

PAIEUG will cooperate with the ALJs and the parties at the Prehearing Conference to finalize an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJs.

V. POSSIBILITY OF SETTLEMENT

PAIEUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: May 6, 2024