



City of Philadelphia

LAW DEPARTMENT
One Parkway
1515 Arch Street
17th Floor
Philadelphia, PA 19102

May 6, 2024

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission
v. PECO Energy Company - Electric
Division
Docket No. R-2024-3046931, *et al*

Dear Secretary Chiavetta:

Attached for electronic filing please find the City of Philadelphia and Philadelphia Energy Authority's Prehearing Conference Memorandum in the above-referenced proceeding. Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci

Laura J. Antinucci
Deputy City Solicitor
City of Philadelphia Law Department
PA Attorney I.D. # 327217
E-Mail: laura.antinucci@phila.gov

Enclosures:

cc: Administrative Law Judge Darlene Heep (email only)
Administrative Law Judge Marta Guhl (email only)
Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2024-3046931, *et al.*
 :
 PECO Energy Company :
 - Electric Division :

PREHEARING CONFERENCE MEMORANDUM OF THE CITY OF PHILADELPHIA AND
PHILADELPHIA ENERGY AUTHORITY

The City of Philadelphia (“City”), through its counsel at the Philadelphia Law Department, and Philadelphia Energy Authority (“PEA”), through its counsel at eco(n)law LLC, (together, “the City and PEA”) hereby file this Prehearing Conference Memorandum in the above-captioned proceeding, pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, the Prehearing Conference Order issued by Administrative Law Judge (“ALJ”) Darlene Heep and ALJ Marta Guhl, and in anticipation of the prehearing conference scheduled for Tuesday, May 7, 2024 at 1:30PM. The City and PEA provide the following information:

I. INTRODUCTION

On March 28, 2024, PECO Energy Company – Electric Division (“PECO” or “the Company”) filed with the Pennsylvania Public Utility Commission (“Commission”) its Tariff Electric - Pa. P.U.C. No. 8 (“Tariff 8”), which was subsequently assigned Docket No. R-2024-3046931. PECO is engaged in the business of furnishing electric service to approximately 1.7 million customers throughout a 2,100 square-mile area in southeastern Pennsylvania, including the entire city of Philadelphia. In its filing, PECO has requested to increase the electric distribution base rates charged to PECO’s residential, commercial, and industrial customers. In its filing, PECO proposes to increase its annual distribution rates by approximately \$464 million effective May 27,

2024, with a one-time credit of \$64 million, resulting in a net electric rate increase of \$399 million in 2025, and an additional \$64 million rate increase in 2026. If PECO's rate request is approved as filed, the average bill of a residential customer using 700 kilowatt hours (kWh) per month will increase by increase by \$16.67 from \$135.85 to \$152.52 or by 12.3% in 2025.

II. PROCEDURAL BACKGROUND

On April 2, 2024, the Bureau of Investigation and Enforcement filed a Notice of Appearance. On April 11, 2024, the Office of Consumer Advocate filed a Formal Complaint, Notice of Appearance, and Public Statement. On April 12, 2024, the Local 614 of the International Brotherhood of Electrical Workers, AFL-CIO filed a Petition to Intervene. The Office of Small Business Advocate filed a Formal Complaint and Notice of Appearance on April 16, 2024. On April 22, 2024, The Trustees of the University of Pennsylvania and The Hospital at the University of Pennsylvania file a Petition to Intervene. On April 26, 2024, The Tenant Union Representative Network and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania also filed a Petition to Intervene. On May 1, 2024, Walmart, Inc. filed a Petition to Intervene as well as EVgo Services, LLC. On May 2, 2024, Electrify America, LLC filed a Petition to Intervene. On May 3, 2024, a Petition to Intervene was filed by Constellation Energy Generation, LLC and Constellation NewEnergy, Inc. The City and PEA filed their Petition to Intervene also on May 3, 2024.

On April 25, 2024, the Commission issued an Order initiating an investigation of the rates, rules and regulations set forth in Tariff No. 8 and, thereby, suspending Tariff No. 8 by operation of law until December 28, 2024, unless otherwise directed by the Commission. The proceeding was then assigned to ALJ Darlene Heep and ALJ Marta Guhl, and a prehearing conference is scheduled for May 7, 2024.

III. ISSUES AND SUB-ISSUES

The City and PEA have conducted a preliminary examination of PECO's filing and have compiled a tentative description of issues the City and PEA intend to investigate and raise in this proceeding. The City and PEA reserve the right to raise and address any additional or unanticipated issues that come to light during this proceeding. Preliminarily, the City and PEA intend to raise the following issues:

A. General Impact of Increased Electric Rates

The City and PEA intend to raise whether the rate increase will result in unjust and unreasonable rates for the City and PECO's electric customers within the City's boundaries. Additionally, the City and PEA will explore the impact the proposed rate increase will have on the City's decarbonization goals related to electrification. The City and PEA also intend to raise how the proposed rate increase will affect residents of Philadelphia with already high energy burdens and those in much need of cooling infrastructure. Lastly, the City is concerned about the potential for subsequent rate increases from the Philadelphia Water Department ("PWD") to recover increased utility costs.

B. Quality of Service

The City and PEA will likely raise the question as to whether PECO's quality of service, including its billing practices, justify its requested rate increase. The City and PEA intend to also inquire into whether PECO could increase its partnership efforts with entities like the City and PEA on sustainability projects to reduce this rate increase proposal and mitigate further rate increases over time.

C. Universal Service

The City and PEA intend to raise an inquiry into PECO’s funding sources for its customer assistance programs, along with PECO’s current practices for identifying eligible low-income customers for customer assistance programs, to determine if the proposed rate increase is fully justified.

IV. WITNESSES

The City and PEA intend to file written testimony and accompanying exhibits from the City’s Office of Sustainability and PEA. Tentatively, those witnesses are as follows:

Elizabeth Lankenau, AICP Director Office of Sustainability, City of Philadelphia Elizabeth.Lankenau@phila.gov	General Impact Quality of Service Universal Service
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Dominic McGraw Deputy Director, Energy Services & Operations Office of Sustainability, City of Philadelphia Dominic.McGraw@phila.gov	General Impact Quality of Service
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Nidhi Krishen Deputy Director for Climate Solutions Office of Sustainability, City of Philadelphia Nidhi.Krishen@phila.gov	Universal Service
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Emily Schapira President and CEO Philadelphia Energy Authority eschapira@philaenergy.org	General Impact Quality of Service
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The City and PEA reserve the right to modify this list of witnesses or call additional witnesses, if the need arises.

V. EVIDENCE

The City and PEA intend to rely on the statements of the witnesses listed above as well as other evidence presented in this proceeding in support of its positions.

VI. DISCOVERY

The City and PEA have not served discovery in this matter, but reserve the right to serve discovery if and when it becomes necessary.

VII. SERVICE ON THE CITY AND PEA

The City and PEA will be represented by Laura Antinucci, Deputy City Solicitor, and James Kellett, Divisional Deputy City Solicitor of the Philadelphia Law Department, and Baird Brown of eco(n)law, LLC. Counsel for the City and PEA request that all documents in this proceeding be served electronically to the email addresses below:

Laura Antinucci, Deputy City Solicitor
Laura.Antinucci@phila.gov
James Kellett, Divisional Deputy City Solicitor
James.Kellett@phila.gov
Philadelphia Law Department
1515 Arch Street, 16th Floor
Philadelphia, PA 19102

Baird Brown
baird@eco-n-law.net
eco(n)law, LLC
230 S Broad St 17th floor,
Philadelphia, PA 19102

For purposes of the prehearing conference, the lead attorney for CITY and PEA will be Laura Antinucci.

VIII. PROPOSED SCHEDULE

At this time, the City and PEA do not propose their own litigation schedule, but are willing to review and agree to a proposed schedule at the prehearing conference.

IX. PUBLIC INPUT HEARINGS

The City and PEA request that an adequate number of public input hearings for this proceeding be held at appropriate times and places to achieve the greatest anticipated amount of participation.

X. SETTLEMENT

The City and PEA are willing to engage in settlement negotiations in this proceeding.

Date: May 6, 2024

Respectfully submitted,

/s/ Laura Antinucci
Laura Antinucci, Esq.
PA Attorney I.D. #327217
James Kellett, Esq.
PA Attorney I.D. #319663
Counsel for the CITY
Philadelphia Law Department
1515 Arch Street, 16th Floor
Philadelphia, PA 19102

Baird Brown
PA Attorney I.D. #32749
eco(n)law LLC
Counsel for PEA
230 S. Broad Street 17th Floor
Philadelphia, PA 19102

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CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of May, 2024 served a true copy of the foregoing Prehearing Conference Memorandum of the City of Philadelphia and Philadelphia Energy Authority on the parties, listed below in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

Served via Electronic Mail Only

Anthony E. Gay, Esq.
Jack R. Garfinkle, Esq.
Jennedy S. Johnson, Esq.
Caroline Choi, Esq.
PECO Energy Company
2301 Market Street Philadelphia, PA 19103
anthony.gay@exeloncorp.com
jack.garfinkle@exeloncorp.com
jennedy.johnson@exeloncorp.com
caroline.choi@exeloncorp.com
(*Counsel for PECO Energy Co.*)

Kenneth M. Kulak, Esq.
Mark A. Lazaroff, Esq.
Brooke E. McGlinn, Esq.
Catherine G. Vasudevan, Esq.
Morgan Lewis & Bockius, LLP
2222 Market Street Philadelphia, PA 19103
ken.kulak@morganlewis.com
mark.lazaroff@morganlewis.com
brooke.mcglinn@morganlewis.com
catherine.vasudevan@morganlewis.com
(*Counsel for PECO Energy Co.*)

Sharon E. Webb, Esq.
Rebecca Lyttle, Esq.
Office of Small Business Advocate
Forum Place 555 Walnut Street, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov
relyttle@pa.gov
(*Counsel for Office of Small Business Advocate*)

Erin L. Gannon, Esq.
Gina L. Miller, Esq.
Jacob D. Guthrie, Esq.
Barrett C. Sheridan, Esq.
Office of Consumer Advocate Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101
egannon@paoca.org
gmiller@paoca.org
jguthrie@paoca.org
bsheridan@paoca.org
OCAELECPECO2024@paoca.org
(*Counsel for Office of Consumer Advocate*)

Carrie B. Wright, Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street Harrisburg, PA 17120
carwright@pa.gov
(Counsel for Bureau of Investigation and Enforcement)

Charles T. Joyce
Samuel E. Shopp
SPEAR WILDERMAN, P.C.
230 South Broad Street, Ste. 1650
Philadelphia, PA 19102
ctjoyce@spearwilderman.com
sshopp@spearwilderman.com
(Counsel for IBEW Local 614)

Nicholas J. Enoch
LUBIN & ENOCH, P.C.
349 North 4th Avenue Phoenix, Arizona
85003-1505
nick@lubinandenoach.com
(Counsel for IBEW Local 614)

Vikram A. Patel, Esq.
vpatel@clsphila.org
Charlotte E. Edelstein, Esq.
cedelstein@clsphila.org
Joline R. Price, Esq.
jprice@clsphila.org
Robert W. Ballenger, Esq.,
rballenger@clsphila.org
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102

Dated: May 6, 2024

(Counsel for TURN and CAUSE PA)

Derrick Price Williamson
Barry A. Naum
Steven W. Lee
SPILMAN THOMAS & BATTLE, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050 Phone: (717)
795-2740 Fax: (717) 795-2743
dwilliamson@spilmanlaw.com
bnaum@spilmanlaw.com
slee@spilmanlaw.com
(Counsel for Walmart)

BICKY CORMAN LAW, PLLC
1250 Connecticut Ave., NW, Suite 700
bcorman@bickycormanlaw.com
(Counsel for EVgo)

William A. Lesser, Esq.
Cozen O'Connor
3 WTC 175 Greenwich Street, 55th Floor
New York, NY 10007
wlesser@cozen.com
(Counsel for Electrify America, LLC)

Alan M. Seltzer
John F. Povilaitis
Buchanan Ingersoll & Rooney PC
409 N. Second Street, Suite 500 Harrisburg,
PA 17101
alan.seltzer@bipc.com
john.povilaitis@bipc.com
*(Counsel for Constellation Energy
Generation, LLC and Constellation
NewEnergy, Inc.)*

/s/Laura Antinucci
Laura Antinucci, Esq.
PA Attorney I.D. #327217
James Kellett, Esq.
PA Attorney I.D. #319663

Counsel for the CITY
Philadelphia Law Department
1515 Arch Street, 16th Floor
Philadelphia, PA 19102

Baird Brown
PA Attorney I.D. #32749
Counsel for PEA
eco(n)law LLC
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