



COMMONWEALTH OF PENNSYLVANIA

May 6, 2024

**E-FILED**

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**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Sharon E. Webb*

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

*Enclosures*

cc: Kevin C. Higgins  
Parties of Record



## **II. FILING BACKGROUND**

On March 28, 2024, PECO Energy Company (“PECO” or the “Company”) filed Tariff Electric—Pa. P.U.C. No. 8 (“Tariff No. 8”) to become effective on December 27, 2024. PECO’s proposed Tariff No. 8 seeks approval for rates designed to produce an annual revenue increase of approximately \$464 million.

The OSBA filed a Notice of Appearance and Complaint on April 16, 2024. The OSBA’s Complaint was docketed at C-2024-3048467.

By Order entered April 25, 2024, the proposed Tariff No. 8 was suspended by operation of law until December 27, 2024. The Commission ordered an investigation into the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed Tariff No. 8.

On April 29, 2024 a Notice was issued that a telephonic pre-hearing conference was scheduled for May 6, 2024 at 1:30 p.m. before Administrative Law Judge (“ALJ”) Marta Guhl. ALJ Guhl issued a Prehearing Conference Order on May 6, 2024.

## **III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Kevin C. Higgins  
Principal, Energy Strategies  
111 East Broadway, Suite 1200  
Salt Lake City, Utah 84111  
(801) 355-4365  
(801) 521-9142 – Fax  
[khiggins@energystrat.com](mailto:khiggins@energystrat.com)

After an initial review of the materials submitted by the Company, the OSBA has identified the following issues:

1. Whether PECO's proposed electric base rate changes accurately implement the Company's requested increase in its base rate revenue requirement;
2. Whether PECO has accurately noticed its customers of proposed electric rate changes;
3. Whether the Company's class cost-of-service study methodology is appropriate, and comports with Commission precedent;
4. Whether the Company's proposed class revenue allocation would move all rate classes closer to their respective cost-based revenue levels;
5. Whether PECO's proposed rate design for Rate GS – General Service is cost based;

The OSBA will participate in the case to assure that the interests of small business customers of the Company are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through discovery, through the cross-examination of witnesses appearing for those parties, through the filing of testimony, and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of the Company's small business consumers would be unjustifiably different than, or disproportionate to, the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

#### **IV. SERVICE OF DOCUMENTS**

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date<sup>1</sup> as satisfying the in-hand requirement. The OSBA requests that electronic copies be provided to its witness identified above. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witnesses identified above.

#### **V. DISCOVERY**

The OSBA does not propose any discovery modifications in this proceeding but will work with the parties to develop any mutually agreeable discovery modifications.

#### **VI. SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

#### **VII. HEARING AND BRIEFING SCHEDULE**

The OSBA will cooperate with the other parties to develop a procedural schedule.

Due to the excessive number of rate cases currently before the Commission, as well as the limited availability of the OSBA witness, the OSBA requests that any hearings take place telephonically.

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<sup>1</sup> In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

## VIII. CONSOLIDATION

Although it places a significant burden on the non-Company Parties, the ALJs, and the Commission, the OSBA does not object to the *procedural* consolidation of PECO's two (electric, natural gas) 2024 rate cases. However, the two rate cases may not be consolidated for any *substantive* purpose. 52 Pa. Code § 5.81(a) addresses this issue. ALJ Dennis J. Buckley provided a seminal decision on consolidation in his *Order Denying Motion for Consolidation*, Docket Nos. C-2019-3014952, C-2021-3024207 (Issued July 15, 2021).

Respectfully submitted,

/s/ Sharon E. Webb

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Dated: May 6, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|   |   |                                   |
|---|---|-----------------------------------|
| <b>Pennsylvania Public Utility Commission</b> | : |                                   |
|   | : |                                   |
| v.  | : | <b>Docket Nos. R-2024-3046931</b> |
|   | : | <b>C-2024-3048467</b>             |
| <b>PECO Energy Company-Electric Division</b>  | : |                                   |
|   | : |                                   |

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Marta Guhl  
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Pennsylvania Public Utility Commission  
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DATE: May 6, 2024

*/s/ Sharon E. Webb*

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