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May 7, 2024

VIA ELECTRONIC FILING

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

RE: Pennsylvania Public Utility Commission v. PECO Energy Company (Electric);

Docket No. R-2024-3046931; Pennsylvania Public Utility Commission v. PECO Energy Company (Gas); Docket No. R-2024-3046932; **PREHEARING CONFERENCE MEMORANDUM OF THE SOUTHEASTERN**

PENNSYLVANIA TRANSPORTATION AUTHORITY

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Prehearing Conference Memorandum of the Southeastern Pennsylvania Transportation Authority ("SEPTA") in the above-captioned matter. Copies of the Memorandum have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

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Very traly cours,

Todd S. Stewart

Counsel for the Southeastern Pennsylvania

Transportation Authority

TSS/jld Enclosure

cc: Administrative Law Judge Darlene Heep (via electronic mail – <u>dheep@pa.gov</u>)

Administrative Law Judge Marta Guhl (via electronic mail – mguhl@pa.gov)

Per Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party)

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DATED: May 7, 2024 Todd S. Stewart

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :

v. Docket No. R-20

Docket No. R-2024-3046931

PECO Energy Company (Electric)

:

Pennsylvania Public Utility Commission

:

v. : Docket No. R-2024-3046932

:

PECO Energy Company (Gas)

PREHEARING CONFERENCE MEMORANDUM
OF THE
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

TO THE HONORABLE ADMINISTRATIVE LAW JUDGES DARLENE HEEP AND MARTA GUHL:

NOW COMES the Southeastern Pennsylvania Transportation Authority ("SEPTA"), by and through its counsel, Hawke McKeon & Sniscak LLP, and hereby presents the following Prehearing Conference Memorandum in compliance with the Prehearing Conference Order issued by Presiding Administrative Law Judges, Darlene Heep and Marta Guhl On April 29, 2024.

I. PROCEDURAL HISTORY

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. PECO also filed PECO's Tariff Gas – Pa. P.U.C. No. 6 ("Tariff No. 6"). PECO's electricity filing 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 for 2024 and thereafter. PECO's Gas filing seeks an increase of \$111 million. On April 25, 2024, the Commission suspended PECO's proposed tariff filings by operation of law until December 27, 2024, and instituted an investigation into the Company's proposed Tariffs. A Prehearing Conference has been scheduled in this proceeding for May 7, 2024. Also on May 7, 2024, SEPTA filed its Petition to Intervene.

II. ANTICIPATED ISSUES

SEPTA's primary reason for intervening in this manner are the Company's assignment of significant new revenue requirements to Rate Classes HT, EP and GS in its proposed allocation of the increase. PECO also proposes to increase SEPTA's natural gas rate by 22%. These unwarranted increases appear to be a product of an overall rate increase request that is excessive and therefore neither just nor reasonable, and an unreasonable and unwarranted assignment of costs to the aforementioned rate classes. The specific sub issues include:

- a. Whether the allocation of the proposed rate increase among the various rate classes is just, reasonable and non-discriminatory;
- b. Whether PECO's cost of service study is accurate, and whether it is just and reasonable;
- c. Whether the rate design is just, reasonable and non-discriminatory; and
- d. Whether PECO is proposing to earn a fair rate of return.

SEPTA reserves the right to address additional issues as circumstances warrant.

III. PROPOSED WITNESS

SEPTA is in the process of retaining a witness and will inform Your Honors and the parties of the identity of said witness as soon as possible.

IV. PROPOSED SCHEDULE AND DISCOVERY RULE MODIFICATIONS

SEPTA will cooperate with the Presiding ALJs and other parties at the prehearing conference to conclude a schedule and discovery rules that are acceptable to all concerned.

V. SETTLEMENT

SEPTA is willing to engage in discussions to narrow or amicably resolve any or all issues presented in this matter.

Respectfully submitted,

Todd S. Stewart, PA Attorney I.D. #75556

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Transportation Authority

DATED: May 7, 2024