

COMMONWEALTH OF PENNSYLVANIA



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May 17, 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- Gas Division  
Docket No. R-2024-3048767

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in this matter.

Copies have been served as shown on the attached Certificate of Service.

Respectfully submitted,

/s/Emily A. Farren  
Emily A. Farren  
Assistant Consumer Advocate  
PA Attorney I.D. # 322910  
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Enclosures:

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Certificate of Service

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :  
v. : Docket No. R-2024-3048767  
PECO Energy Company- Gas Division :

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Formal Complaint and Public Statement, 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 17<sup>th</sup> day of May 2024.

SERVICE BY E-MAIL ONLY

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555 Walnut Street  
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Harrisburg, PA 17101-1923

Date: May 17, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**FORMAL COMPLAINT**

**1. COMPLAINANT**

Patrick M. Cicero, Consumer Advocate

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Harrisburg, PA 17101-1923  
Dauphin County

Telephone: (717) 783-5048

Facsimile: (717) 783-7152

**2. UTILITY NAME**

PECO Energy Company, Docket No. R-2024-3048767

**3. TYPE OF UTILITY**

Gas

**4. COMPLAINT**

**A.** On April 30, 2024, pursuant to 52 Pa. Code Sections 53.64 and 53.65, PECO Energy Company (PECO or the Company) submitted with the Pennsylvania Public Utility Commission (Commission) its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates.

**B.** The Company is scheduled to make its definitive rate filing with the Commission on or before June 1, 2024, pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f).

**C.** PECO's pre-filed information does not indicate the anticipated effect of the annual PGC reconciliation on existing rates.

**D.** PECO provides natural gas service to residential customers in Bucks, Chester, Delaware, Lancaster, and Montgomery Counties.

**E.** The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to customers. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and

vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withheld or caused to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy. 66 Pa. C.S. § 1318(a)(1-4).

- F.** The Consumer Advocate is empowered to represent the interests of consumers before the Commission, pursuant to Act 161 of 1976 of the Pennsylvania General Assembly, 71 P. S. §§ 309-1 *et seq.*, as enacted July 9, 1976.
- G.** The Consumer Advocate will investigate all aspects of PECO's filing, including the Company's one-year extension of its Ratable Hedging Program pursuant to the Settlement from PECO's 2023 PGC rate proceeding. *See Pa. PUC v. PECO Energy Co.*, Docket No. R-2023-3040285.
- H.** After initial review of PECO's pre-filing information, the Consumer Advocate files this Formal Complaint in order to ensure that PECO's proposed PGC rates are consistent with a least cost fuel procurement policy and do not result in rates and charges that are excessive, discriminatory or otherwise contrary to Commission regulations or policy.

## **5. RELIEF**

The Consumer Advocate respectfully requests that the Commission:

- A.** Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f);
- B.** Hold public input hearings in PECO's service territory, if consumer interest arises;
- C.** Deny any rate or tariff change that is not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, and as defined by other applicable ratemaking standards;
- D.** Ensure that UGI's PGC customers are only allocated those costs that should be borne by them;
- E.** Deny any rate or tariff that is unjust, unreasonable, unduly discriminatory or contrary to sound ratemaking principles; and
- F.** Grant any other relief deemed necessary.

**6. VERIFICATION AND SIGNATURE**

***Verification:***

*I, Patrick M. Cicero, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).*

/s/ Patrick M. Cicero  
**(Signature)**

May 17, 2024  
**(Date)**

**7. LEGAL REPRESENTATION**

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**PUBLIC STATEMENT  
OF THE OFFICE OF CONSUMER ADVOCATE  
PURSUANT TO 71 P.S. SECTION 309-4(E)**

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Office of Consumer Advocate (OCA) to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the OCA determined to file a Formal Complaint and participate in proceedings before the Commission involving the purchased gas cost (PGC) rates proposed by PECO Energy Company (PECO or Company) at Docket No. R-2024-3048767.

On April 30, 2024, pursuant to 52 Pa. Code Sections 53.64 and 53.65, PECO submitted its pre-filing information in support of its annual reconciliation of PGC rates. The Company is scheduled to make its definitive rate filing with the Commission on or about June 1, 2024, pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f). The definitive PGC annual filing will include any anticipated increases or decreases in the existing PGC rates.

The OCA has filed this Formal Complaint with the Commission to ensure that each aspect of PECO's 2024 PGC filing is scrutinized and that the proposed PGC rate is consistent with a least cost fuel procurement policy. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code, mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy and further specifies that certain findings must be made before the costs are determined to be lawful. 66 Pa. C.S. § 1318. The OCA, therefore, will seek to ensure that only those purchased gas costs which comply with the requirements of the Public Utility Code will be paid by the PECO's ratepayers. In addition, the OCA will also seek to ensure that the rates approved by the Commission are otherwise just and reasonable and not unduly discriminatory or otherwise excessive.