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September 12, 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; **THE SOUTHEASTERN  
PENNSYLVANIA TRANSPORTATION AUTHORITY STATEMENT IN  
SUPPORT OF SETTLEMENT**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Southeastern Pennsylvania Transportation Authority ("SEPTA") Statement in Support of Settlement in the above-referenced matters.

Thank you for your attention to this matter. If you have any questions related to this filing, please do not hesitate to contact my office.

Very truly yours,

A handwritten signature in blue ink, appearing to read "T. Stewart", is written over the closing text.

Todd S. Stewart  
*Counsel for the Southeastern Pennsylvania  
Transportation Authority*

TSS/jld  
Enclosure

cc: Administrative Law Judge Darlene Heep (via electronic mail – [dheep@pa.gov](mailto:dheep@pa.gov))  
Administrative Law Judge Marta Guhl (via electronic mail – [mguhl@pa.gov](mailto:mguhl@pa.gov))  
Athena Devillar, Legal Assistant (via electronic mail – [sdevillar@pa.gov](mailto:sdevillar@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: September 12, 2024

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Todd S. Stewart

**BEFORE  
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2024-3046931
	:	
PECO Energy Company (Electric)	:	
	:	
	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2024-3046932
	:	
PECO Energy Company (Gas)	:	

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**STATEMENT IN SUPPORT OF SETTLEMENT OF  
THE SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY**

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**TO THE HONORABLE DARLENE HEEP:  
TO THE HONORABLE MARTA GUHL:**

NOW COMES, the Southeastern Pennsylvania Transportation Authority (“SEPTA”), by and through its Counsel in this matter, HMS LEGAL LLP, and hereby submits this statement in support of the Joint Petition for Settlement (“Settlement”) in the above-captioned matter and urges the Presiding Administrative Law Judges (“ALJs”) and the Pennsylvania Public Utility Commission (“Commission”), to approve the terms of the Settlement in their entirety and without modification. In support thereof, SEPTA states as follows:

1. SEPTA is a Metropolitan Transportation Authority as that term is defined in 73 P.S. § 1701, et. seq. and is authorized, pursuant to 73 Pa. C.S. § 1741(a) to participate in any matters before any regulatory body affecting the operation of any project of the Authority.

2. On or about March 28, 2024, PECO filed a request to increase its electricity rates by approximately \$462 million.

3. SEPTA intervened in this matter for two primary reasons, first was to address the proposed rate increase, and second to raise a number of service-related issues.

4. The service-related issues, as raised in the testimony of James L. Crist, have been resolved as between PECO and SEPTA and are not part of this Settlement.

5. PECO's initial filing would have increased electricity costs charged to SEPTA by approximately 38% and that issue is resolved by this Settlement.

6. SEPTA's witness, Mr. Crist, made it clear that the proposed increase for SEPTA far exceeded what was just and reasonable, particularly considering that SEPTA serves a very large number of low income customers.

7. As noted in appendix B to the Settlement, the rate increase for SEPTA will be approximately 33% less than would have been imposed otherwise. Thus the settlement brings the certainty with regards to future rates in addition to a lower than proposed rate increase.

8. As important as savings over PECO's initially proposed rates, the favorable resolution of SEPTA's service related issues was critical, and is the primary benefit realized by SEPTA through its participation in this proceeding.

9. As discussed by SEPTA's witness:

SEPTA is a large public transit system that serves five counties in southeastern Pennsylvania, its ridership is a diverse mix of working individuals commuting to work, students commuting to school, senior citizens, and low-income residents that do not own a car. The median income of SEPTA's riders in 2022 was under \$34,000 per year.<sup>1</sup>

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<sup>1</sup> SEPTA St. No. 1, 4:18-5:2.

With a median income of its riders at the low end of the spectrum, any increase in costs will impact riders directly as fares are necessarily increased. Keeping such increases to a minimum preserves existing ridership and the continued viability of the organization. SEPTA's budget is already constrained and so another major increase in costs would be extremely problematic for SEPTA and its customers.

10. Mr. Crist's Statement No. 1, opposed the substantial rate increase for the two critical rate classes for SEPTA, Rates High Tension (HT) and Electric Propulsion (EP) and argued that any increase should be no higher than the average increase for all rate classes. This outcome is closer to that goal than was initially proposed and less than what was reflected in the responses of other parties.

11. The Settlement is just and reasonable and in the public interest because it provides rate certainty, a more reasonable increase via the agreed-to allocation of the revenue increase, and via a separate resolution, addresses many issues that have strained SEPTA's interaction with PECO in the wake of the implementation of PECO's new billing system. The Settlement of the rate issues has made that resolution possible.

Respectfully submitted,



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DATED: September 12, 2024