



COMMONWEALTH OF PENNSYLVANIA

September 12, 2024

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. PECO Energy Company-Gas Division /
Docket No. R-2024-3046932**

Dear Secretary Chiavetta:

Enclosed please find the Statement in Support of the Joint Petition for Non-Unanimous Partial Settlement of Rate Investigation, 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/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Mark Ewen
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2024-3046932
	:	
v.	:	
	:	
PECO Energy Company-Gas Division	:	

**STATEMENT OF
THE OFFICE OF SMALL BUSINESS ADVOCATE
IN SUPPORT OF THE
JOINT PETITION FOR NON-UNANIMOUS PARTIAL
SETTLEMENT OF RATE INVESTIGATION**

I. Introduction

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a complaint in the above-captioned proceeding, which was initiated by PECO Energy Company – Gas Division (“PECO” or the “Company”) on March 28, 2024.

The OSBA participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Non-Unanimous Partial Settlement of Rate Investigation (“*Joint Petition*”). The OSBA submits this statement in support of the *Joint Petition*.

II. Standards for Approval of the Settlement

Section 5.231(a) of the Commission’s regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows:

It is the policy of the Commission to encourage settlements.

Similarly, Section 69.401 of the Commission’s regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission’s judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

III. Specific Settlement Terms

Revenue Allocation

PECO presented a cost-of-service study (“COSS”) using the Average and Extra (“A&E”) methodology in this proceeding. In addition, PECO relied on a system load factor weighting of the average and the excess components.¹ Moreover, PECO’s A&E COSS methodology consists of class average day demands, class excess day demands, and the weighting factor.²

The PECO COSS demonstrated that the General Service (“GC”) and Gas Transportation (“TS-I” and “TS-F”) were over-recovering their respective cost of service. Even the COSS employed by the Office of Consumer Advocate (“OCA”) demonstrated that the GC class was over-recovering its cost of service.³

The revenue allocation set forth in the *Joint Petition* reflects the work of the OSBA to assign the small business GC class a less-than-system average revenue allocation. In addition, the OSBA was able to negotiate an assignment of a greater than system average increase to the Residential

¹ OSBA Statement No. 1, at 10.

² OSBA Statement No. 1, at 11.

³ OSBA Statement No. 1-R, at 6.

class, which was significantly under-recovering its cost of service.⁴ The TS-I class also receives a significantly less than system-average increase, as that class was over-recovering its cost of service. *Joint Petition*, at Paragraph 16.

Consequently, the OSBA respectfully submits that the revenue allocation, as set forth in the *Joint Petition*, is a just and reasonable resolution of this issue.

Rate Design

In its original filing, PECO proposed to maintain a uniform GC customer charge at \$36.38 per month in 2025 and to implement differentiated customer charges for large (\$40.61) and small (\$29.36) Rate GC customers based on meter size on January 1, 2026. The OSBA agreed with this proposal.⁵

The *Joint Petition* proposes this GC customer charge, which the OSBA submits is a just and reasonable result. *Joint Petition*, at Paragraph 17.

The *Joint Petition* also proposes rate design for the TS-I and TS-F classes, as set forth in Appendix B. *Joint Petition*, at Paragraph 19.

Specifically, PECO agreed to reduce the current volumetric rate differential for Rate TS-F from 2.1 to 2.0, instead of 1.49 as originally proposed. *Joint Proposed Findings of Fact*, at Paragraph 26.

In addition, PECO agreed to reduce the current volumetric rate differential for Rate TS-I no backup customers from 1.88 to 1.74, instead of 1.67 as originally proposed. *Id.*

⁴ OSBA Statement No. 1, at 16.

⁵ OSBA Statement No. 1, at 18.

IV. Conclusion

For the reasons set forth in the *Joint Petition*, as well as the additional factors that are enumerated in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: September 12, 2024

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2024-3046932
v.	:	C-2024-3048456
	:	
PECO Energy Company – Gas Division	:	

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 Darlene Heep
Administrative Law Judge
Pennsylvania Public Utility Commission
801 Market Street, Suite 4063
Philadelphia, PA 19107
dheep@pa.gov
sdelvillar@pa.gov

The Honorable Marta Guhl
Administrative Law Judge
Pennsylvania Public Utility Commission
801 Market Street, Suite 4063
Philadelphia, PA 19107
mguhl@pa.gov

Carrie B. Wright, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
cwright@pa.gov

Anthony E. Gay, Esquire
Jack R. Garfinkle, Esquire
Adesola K Adegbesan, Esquire
Richard Webster, Esquire
PECO Energy Company
2301 Market Street
Philadelphia, PA 19103
anthony.gay@exeloncorp.com
jack.garfinkle@exeloncorp.com
adesola.adegbesan@exeloncorp.com
dick.webster@exeloncorp.com

Erin L. Gannon, Esquire
Gina L. Miller, Esquire
Barret Sheridan, Esquire
Jacob D. Guthrie, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
OCAgasPECO2024@paoca.org

Kenneth M. Kulak, Esquire
Mark A. Lazaroff, Esquire
Brooke E. McGlinn, Esquire
Catherine G. Vasudevan, Esquire
Caroline S. Choi, Esquire
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
caroline.choi@morganlewis.com

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

Charles T. Joyce, Esquire
Samuel E. Shopp, Esquire
SPEAR WILDERMAN, P.C.
230 South Broad Street
Suite 1650
Philadelphia, PA 19102s
ctjoyce@spearwilderman.com
sshopp@spearwilderman.com

Nicholas J. Enoch, Esquire
LUBIN & ENOCH, P.C.
349 North 4th Avenue
Phoenix, AZ 85003
nick@lubinandenoach.com

Charis Mincavage, Esquire
Adeolu A. Bakare, Esquire
Brigid Landy Khuri, Esquire
McNEES ALLACE & NURICK LLC
100 Pine Steet
Harrisburg, PA 17108-1166
cmincavage@mcneeslaw.com
abakare@mcneeslaw.com
bkhuri@mcneeslaw.com

Robert A. Weishaar, Jr., Esquire
McNees Wallace & Nurick, LLC
1200 G Street, NW, Suite 800
Washington, DC 20005
rweishaa@mwn.com

Steven Wing-Kern Lee, Esquire
Barry A. Naum, Esquire
Derrick P. Williamson, Esquire
Spilman, Thomas & Battle, PLLC
1100 Bent Creek Blvd.
Suite 101
Mechanicsburg, PA 17050
SLee@Spilmanlaw.com
BNaum@Spilmanlaw.com
DWilliamson@spilmanlaw.com

Alan McCarthy
705 E Barnard Street
West Chester, PA 19382
Alanmccarthy25@hotmail.com

Laura Antinucci, Esquire
Philadelphia Law Dept
1515 Arch Street
16th Floor
Philadelphia, PA 19102
Laura.antinucci@phila.gov

Bernice I. Corman, Esquire
Bicky Corman Law
1250 Connecticut Avenue
NW #700
Washington, DC 20036
bcorman@bickycormanlaw.com

Todd S. Stewart, Esquire
Hawke McKeon & Sniscak, LLP
100 N. Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

William Lesser, Esquire
Cozen O'Connor
3 WTC
175 Greenwich Street, 55th Floor
New York, NY 10007
wlesser@cozen.com

Jonathan Nase, Esquire
David P. Zambito, Esquire
Cozen O'Connor
17 North Second Street
Suite 1410
Harrisburg, PA 17101
jnase@cozen.com
dzambito@cozen.com

C. Baird Brown, Esquire
ECO(N)LAW LLC
230 S Broad Street
17th Floor
Philadelphia, PA 19102
baird@eco-n-law.net

Alan Seltzer, Esquire
John F. Polvilaitis, Esquire
Buchanan Ingersoll & Rooney
409 N Second Street, Suite 500
Harrisburg, PA 17101-1357
Alan.seltzer@bipc.com
John.povilaitis@bipc.com

Stephen Bright, Esquire
Electrify America, LLC
1950 Opportunity Way
Suite 1500
Reston, VA 20190
Steve.Bright@electrifyamerica.com

DATE: September 12, 2024

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney I.D. No. 77538