

September 12, 2024

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

VIA ELECTRONIC FILING

Re: Pennsylvania Public Utility Commission v. PECO Energy Company – Electric Division; Docket No. R-2024-3046931

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") Walmart Inc.'s Statement in Support of the Joint Petition for Non-Unanimous Settlement of Rate Investigation in the above-referenced matter.

This document was filed electronically with the Commission on this date. All parties are being served a copy of this document in accordance with the enclosed Certificate of Service.

Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

SPILMAN THOMAS & BATTLE, PLLC

By



Derrick Price Williamson
Barry A. Naum
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Counsel to Walmart Inc.

SWL/sds

Enclosures

c: Administrative Law Judge Marta Guhl (via E-mail)
Administrative Law Judge Darlene Heep (via E-mail)
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : Docket No. R-2024-3046931
PECO Energy Company – Electric Division :

CERTIFICATE OF SERVICE

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

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Steven W. Lee

Dated: September 12, 2024

2. On May 2, 2024, Walmart filed a Petition to Intervene to participate in this proceeding. As indicated in its Petition to Intervene, Walmart is a national retailer with 116 Supercenters, 19 Discount Stores, 24 Sam's Clubs, 6 Distribution Centers, and 4 Fulfillment Centers in the Commonwealth of Pennsylvania. Walmart has 23 retail units and related facilities in the Company's service territory and purchases more than 61.2 million kWh annually from PECO primarily pursuant to Rate Schedules GS (General Service) and HT (High Tension Power). As such, the cost of electricity comprises a significant portion of the operating costs of Walmart's various retail and distribution locations, and Walmart intervened in this proceeding in order to address its concerns with the potential impact of PECO's proposed base rate increase.

3. To that end, on June 17, 2024, Walmart submitted the Direct Testimony of Lisa V. Perry, Director, Utility Partnerships – Regulatory, addressing certain aspects of the Company's requested base rate increase that presented significant concern to Walmart. These issues included the potential impact on customers of PECO's proposed revenue requirement increase, the proposed 15 basis point performance adder, the proposed allocation of any revenue increase among and between the Company's various rate classes, the Company's proposed rate design for the GS rate and HT rate customers, and the extension of PECO's Electric Vehicle DCFC Pilot Rider ("EV-FC Pilot Rider"). *See generally* Walmart Statement No. 1.

B. STATEMENT IN SUPPORT OF THE SETTLEMENT

4. As stated in 52 Pa. Code § 5.231, "[i]t is the policy of the Commission to encourage settlements." In keeping with this policy, the parties in this case, including Walmart, engaged in numerous discussions on the many issues presented in the course of litigation. These negotiations ultimately produced the Settlement presented in this proceeding. The settling parties agree that this Settlement is in their best interests and in the best interests of the Pennsylvania public.

5. Walmart specifically supports the Settlement on the following grounds, pertaining to issues expressly raised in Walmart's case-in-chief:

- a. The Settlement results in a significant decrease in the overall revenue levels requested by PECO, from the Company's proposed \$399 million increase to a reduced amount of \$354.0 million, exclusive of the \$64.3 million of revenues currently recovered through the Distribution System Improvement Charge ("DSIC") and \$64 million in a one-time surcharge credit. Settlement, ¶ 13. This reflects a significant compromise among the various parties' litigation positions, which Walmart believes will provide the Company with adequate going-forward revenues while also substantially mitigating the upcoming changes to all customers' rates. In addition, the Settlement provides for a base rate case filing stay-out for PECO's electric rates through March 16, 2026, which provides an additional benefit of temporary rate stability to the Company's customers. *Id.* at ¶ 15.
- b. The Settlement produces an allocation of revenues between the various rate classes that produces a fair and equitable resolution of this significant issue of disagreement among numerous parties. *Id.* at ¶ 16. The Settlement allocation does not reflect any specific, unjustified, or discriminatory benefit to any single class of ratepayers, and while alternative allocations could have been achieved in concert with various parties' different proposals through further litigation, Walmart is satisfied that the Settlement will produce generally just and reasonable cost-based allocations for the limited time period until the Company's next rate case filing.

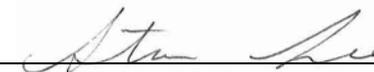
c. The Settlement provides for an extension of PECO's EV-FC Pilot Rider through May 31, 2029, and for a collaborative working group to evaluate whether a successor direct current fast charging rate is warranted. *Id.* at ¶ 53. As a provider of electric vehicle ("EV") charging, Walmart views this as a significant settlement term that represents a compromise between the parties and should contribute to advancing transportation electrification in the Commonwealth.

6. As stated above, the Settlement achieved by the parties in this case is the result of amicable negotiations and compromise by numerous parties with diverse interests. Accordingly, Walmart believes that the Settlement produces a non-discriminatory result that is in the public interest and advances the Commission's policy favoring settlements.

WHEREFORE, Walmart Inc. respectfully requests that Administrative Law Judge Darleen Heep, Administrative Law Judge Marta Guhl, and the Pennsylvania Public Utility Commission approve the Joint Petition for Non-Unanimous Settlement of Rate Investigation filed by the parties in this proceeding, without modification.

Respectfully submitted,

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