

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 – Gas Division;
Docket No. R-2024-3046932**

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 Partial 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 

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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

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Centers in the Commonwealth of Pennsylvania. Walmart has 20 retail units and related facilities in the Company's service territory and purchases more than 870,000 therms annually from PECO pursuant to Rate Schedule GC, General Service – Commercial and Industrial. As such, the cost of natural gas 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 allocation of any revenue increase among and between the Company's various rate classes, and the Company's proposed rate design for the GC. *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 \$111 million increase to a reduced amount of \$78 million, exclusive of the \$18 million of revenue

currently recovered through the Distribution System Improvement Charge ("DSIC"). 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 gas 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.

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 Partial Settlement of Rate Investigation filed by the parties in this proceeding, without modification.

Respectfully submitted,

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Dated: September 12, 2024