

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION

Docket No. R-2024-3046931

v.

PECO ENERGY COMPANY-ELECTRIC  
DIVISION

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**MAIN BRIEF OF INTERVENOR  
LOCAL 614 OF THE INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS, AFL-CIO**

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## I. INTRODUCTION

Pursuant to the Prehearing Order dated May 21, 2024, Local 614 of the International Brotherhood of Electrical Workers (“IBEW Local 614” or “the Union”), by and through undersigned counsel, submits its Main Brief. On September 3, 2024, the parties agreed to and provided a common briefing outline for the Main Briefs. IBEW Local 614 has briefed its topics of choice herein and used the same order and headers given to the topics in the common briefing outline. IBEW Local 614 does not take a position on the remaining topics not briefed herein.

### A. Description of Company

IBEW Local 614 is a labor organization serving as the exclusive representative of approximately 1,430 PECO employees. **Exh. IBEW-7 at 2.** Of these, approximately 177 PECO employees work for the call center and thirty percent (30%) of the remaining portion work in the PECO-Gas division. *Id.* The employees on the electric side include, *inter alia*, Line Mechanics for Aerial, Underground, and Overhead Transmission, Power Quality Technicians, Plant Operations Mechanics, and Meter Technicians. These employees are among those who contribute daily, directly, and significantly to PECO’s efforts to provide safe and reliable electric service to its customers.

IBEW Local 614 and PECO have entered into two separate and comprehensive collective bargaining agreements (“CBAs”) governing the conditions, terms, and working conditions of PECO’s bargaining unit employees.

## **B. Procedural History**

On March 28, 2024, PECO filed for a rate increase. On April 17, 2024, IBEW Local 614 filed a motion to intervene, which was granted on May 23, 2024. On May 14, 2024, IBEW Local 614 served discovery requests on PECO—Electric Division.

IBEW Local 614 prepared and served Pre-Filed Direct (**Exh. IBEW-7**), Rebuttal (**Exh. IBEW-8**), and Surrebuttal Testimony of Lawrence Anastasi (**Exh. IBEW-9**) on June 14, July 15, and August 5, 2024, respectively. On August 8, 12, and 13, IBEW Local 614 participated in the Evidentiary Hearing, including taking vigorous cross-examination of several PECO witnesses.

Settlement discussions among the parties were held before and after the Evidentiary Hearing. IBEW Local 614 was unable to come to an agreement with PECO, and thus is not a signatory to the ERC Joint Petition for Non-Unanimous Settlement (the “Non-Unanimous Settlement”). In fact, IBEW Local 614 opposes the non-unanimous settlement agreement.

## **C. Overview of PECO’s Filing**

In its original rate increase application, PECO requested an annual overall electric rate increase of approximately \$464 million based on data for a fully projected future test year (“FPFTY”) ending December 31, 2025. **PECO Statement No. 1, Direct Testimony of Nicole L. Levine (“Levine Direct”), at 5.** Specifically, PECO alleged that the increase was necessary to (1) assure it received a fair return on substantial investments made, (2) support additional investments needed, such as maintaining and improving system reliability, upgrading and replacing obsolete equipment, and advancing informational

technology and communication systems, and (3) recover higher operating expenses related to electric service, including costs associated with inflation; supply chain challenges that impact equipment costs, availability, and lead time for certain materials; higher labor and contracting costs; and staffing shortages. *Id.* at 5–6.

#### **D. Overview of the Settlement**

The Non-Unanimous Settlement provides that PECO will recover an annual increase in electric distribution revenues of approximately \$354 million, exclusive of the \$64.3 million of revenues currently recovered through the Distribution System Improvement Charge (“DSIC”). Those charges will be recovered in the distribution rates and the DSIC rate will be reset to zero. The rate will be effective January 1, 2025.

The Non-Unanimous Settlement also addresses other items, including Universal Service Programs, Storm Reserve Account, customer service and consumer protection concerns, electric vehicle programs, and clean energy initiatives, which are not directly addressed herein.

#### **E. Burden of Proof**

Pursuant to 66 Pa. C.S.A. § 315(a), PECO bears the burden of proof to demonstrate that the proposed rate is just and reasonable. The public utility must satisfy this burden by a preponderance of the evidence. *Energy Conservation Council of Pa. v. PUC*, 995 A.2d 465, 478 (Pa. Cmwlth. 2010). A public utility seeking a general rate increase is entitled to an opportunity to earn a fair rate of return on the value of the property dedicated to public service. *Pa. Gas & Water Co. v. Pa. Pub. Util. Comm’n*, 341 A.2d 239 (Pa. Cmwlth. 1975). In determining what constitutes a fair rate of return, the Commission is guided by the

criteria set forth in *Bluefield Water Works & Improvement Co. v. Pub. Serv. Comm'n of W. Va.*, 262 U.S. 679 (1923) and *Fed. Power Comm'n v. Hope Nat. Gas Co.*, 320 U.S. 591 (1944). In *Bluefield*, the United States Supreme Court stated:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return should be reasonably sufficient to assure confidence in the financial soundness of the utility and should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market and business conditions generally.

262 U.S. at 692–93.

## **II. SUMMARY OF ARGUMENT**

IBEW Local 614 supports PECO's requested overall electric rate increase of approximately \$464 million and believes that it is appropriate, subject to the specific reductions briefed herein. PECO is the largest combined electric and gas utility in Pennsylvania, servicing more than 1.5 million residential and commercial customers, and maintaining approximately 9,700 miles of underground distribution cable, 13,000 miles of aerial distribution lines, and 1,090 miles of higher voltage transmission lines. Additionally, PECO – Electric Division operates and maintains 440 power substations. These operations

require extensive maintenance and construction, much of which is completed by members of IBEW Local 614.

In addition to its electric infrastructure, PECO must also maintain a highly skilled workforce to continue providing its customers with safe and reliable service. This skilled labor comes at an attendant cost. PECO is competing for a talented workforce in all of its classifications. Without a comprehensive and smart approach to workforce development, PECO will be unable to meet the ongoing and incoming energy demands of our growing community. After all, it is these workers who will provide the operations and maintenance activities necessary to provide PECO's customers with safe and reliable service.

Ensuring that PECO has this workforce is not an inexpensive endeavor. This is a labor market where demand far outstrips supply. In fact, PECO acknowledges this in its rate application, noting that staffing shortages have caused delays in completing projects, and contributed to increased projects costs. Additionally, PECO will need to maintain and expand its pipeline of skilled electrical workers to meet its goals of improving its system reliability and modernizing its grid.

During a time of historic inflation and interest rates, which has already demonstrably impacted PECO's high labor and contracting expenses, it is to be expected that the same squeeze will be felt within PECO's internal workforce. If PECO is insufficiently funded to provide a competitive employment package, PECO will begin to face a reduction in its highly skilled workforce, all who work on critically important electric distribution systems. Thus, Local 614 submits that it is in the best interest of utility customers to pay more than rock-bottom prices for electric services.

### III. CUSTOMER SERVICE REPRESENTATIVE (CSR) ISSUES

#### A. Adequacy of CSR Training on New Billing System

Multiple issues have been identified by CSRs which have directly affected ratepayers during recent months. IBEW Local 614 submits that these issues can be largely addressed through training and in lieu of punitive and excessive oversight by PECO.

In early 2024, PECO changed CSRs' customer service software from CIMS to CCMV. **Exh. IBEW-8 at 13.** CSRs use this software to support residential and commercial clients, including by accessing their information, correcting billing, and cutting or starting service. *Id.* Shortly before CCMV was launched, supervisors read PowerPoint slides to CSRs as part of their training on how to use CCMV. *Id.* They were not provided significant time to practice use of the software or given path cheat sheets to know where to access certain features and information on CCMV. *Id.* Additionally, PECO has greatly reduced the training provided to CSRs for credit collecting. Before, the training lasted one and a half months and the new trainees were placed in a classroom with supervisors to practice calls. *Id.* at 14. Now, the trainings have been reduced to two weeks and CSRs are told to contact supervisors on Teams if they have any questions. *Id.*

Since the launch of CCMV, issues have also arisen with the program itself, causing spikes in customer calls. *Id.* The program has overcharged commercial accounts with previously non-existent distribution and transmission charges; the program fails to bill clients and then disconnects them due to lack of payment; and the program fails to follow through with start service requests. *Id.* All these issues lead to spikes in calls. *Id.* As

such, on top of the additional problems directly caused by the new software program, the CSRs are struggling to navigate the program itself due to PECO's poor training. *Id.*

For this reason, IBEW Local 614 is requesting that PECO be required to provide additional and uniform training to both CSRs and CSR supervisors on CCMV and credit collection such that these issues will be minimized. *Id.*

### **B. Adequacy of Supervisor Support to CSRs**

As already touched upon *supra*, there has been a lack of supervisor support which has impeded CSRs ability to provide customer support. CSRs have reported to IBEW Local 614 that their supervisors frequently do not understand their role or the programs they use. **Exh. IBEW-8 at 13.** This has directly harmed CSRs' ability to get quick and knowledgeable feedback and support during difficult calls. *Id.* at 14. Moreover, CSRs in the middle of credit collections are told to contact CSR supervisors via Teams if they have any issues, but those supervisors are often in meetings and unable to assist with customer support. *Id.*

As discussed *supra*, IBEW Local 614 believes this is an issue that can be mediated through adequate training. Specifically, IBEW Local requests there be a provision of training to CSR supervisors regarding the CSRs' role, the programs they use, and navigating PECO's billing system. This will not only support CSRs, but it will also support customers.

### **C. CSR Overtime Requirements and Satisfaction**

In addition to the impact the new program and PECO's training practices have on customers, it has also greatly affected CSRs themselves. CSRs are frequently scheduled for mandatory overtime with little notice. **Exh. IBEW-8 at 14.** When CCMV was launched, all CSRs had to do one hour of overtime every workday for a month straight. *Id.* at 14–15. The vast majority of CSRs are women who depend on childcare to work. *Id.* at 15. When CSRs complained about this extensive period of short time and their struggle to secure childcare, they were told to deal with it, written up if they could not complete the mandated overtime, and were not told that these write-ups were not disciplinary. *Id.* IBEW Local 614 submits this is a crucial reason to carry out sufficient training to ensure these workers are supported. As such, IBEW Local 614 respectfully requests PECO change its practices to reduce overtime, increase CSR training, and eliminate write-ups when a CSR is unable to perform mandated overtime.

### **IV. IBEW PROPOSALS**

IBEW Local 614 supports PECO's original request for a rate increase of approximately \$464 million per year and does not support the agreement reached by the settling parties. Generally stated, the purpose of the rate increase is to assure that a public utility receives a fair rate of return on the value of the property it has dedicated to public service. Although utilities are not guaranteed profits, they should receive a return that assures confidence in the financial soundness of the utility. As detailed here, the cost of labor is a major component of PECO's significant investments and absent appropriate

recovery of these costs, PECO will struggle to maintain adequate staffing and will not have money necessary to properly discharge its public duties.

#### **A. Worker Safety and Safety Standards**

As a public utility, it is PECO's duty to provide safe and reliable service to its customers, and safe working conditions to its employees. Specifically, every public utility has an obligation to "furnish and maintain adequate, efficient, **safe**, and reasonable service and facilities, and shall make all such repairs, changes, alterations, substitutions, extensions, and improvements in or to such service and facilities as shall be necessary or proper for the **accommodation, convenience, and safety of its patrons, employees, and the public.**" 66 Pa.C.S.A. Public Utilities § 1501.

The Public Utility Code expressly recognizes the status of employees of public utilities as central stakeholders and holds their safety as a key consideration in these matters. In service of these considerations, IBEW Local 614 proposes the Commission require PECO to adopt the following qualification standards for all employees, contractors, and subcontractors working on PECO's electric infrastructure. To comply with this Order, PECO would screen bids from contractors and subcontractors so that only a fully qualified workforce performs work on its electric distribution systems and infrastructure. Such a workforce would require the qualified contractor/subcontractor to: (1) have a valid certificate of insurance showing the following coverages: general liability, professional liability, product liability, worker's compensation, completed operations, hazardous occupation, and automobile; (2) assure that all its employee safety training is completed in compliance with any applicable public service corporation guidelines, policies and 29

C.F.R. 1926; and (3) provide evidence of its participation in apprenticeship and training programs, applicable to the work to be performed on the project, which are approved by and registered with the United States Department of Labor's Office of Apprenticeship, or its successor organization. **Exh. IBEW-7 at 13.**

Further, and in conjunction with the Annual Workforce Planning Report discussed in Section IV(C)(1) below, PECO needs to proactively address staffing shortages to ensure a pool of highly skilled workers is available to perform work on its electric systems. A deficit of highly skilled workers may cause safety issues due to employees working longer hours and having fewer members dispatched to projects. Employee shortages also interfere with ongoing training efforts because employees cannot be spared to attend the training. These factors could lead to an increase in worker injuries and disruptions in the energy grid due to its workers being overworked and undertrained.

#### **B. PECO's Vacancy Rate, Budgeting and Workforce Planning Process**

PECO has requested \$173,658,000 for payroll expenses in the FPFTY ending December 2025. **PECO Exhibit MJT-1, Schedule D-6, p. 69.** For the reasons set forth herein, IBEW Local 614 does not support PECO's vacancy factor of 2% but does support its annualized wage increase for the bargaining unit employees. Bargaining unit employees are those PECO-Electric employees whose terms and conditions of employment are covered by the IBEW Local 614 and PECO's CBA. In its filings, PECO commonly refers to bargaining unit employees as "union employees."

1. Employee Complement/Vacancy Rate

PECO applied a vacancy factor of 2% for the purposes of its payroll request. **PECO Statement 2-R, Rebuttal Testimony of Marissa Humphrey (“Humphrey Rebuttal”), at 2–5.** PECO has argued that its vacancy rate is appropriate as it had already taken into account a certain level of “normal vacancies” as part of this calculation. *Id.* Specifically, PECO alleges that COVID-19 pandemic created an anomaly in its vacancy rate from 2020 to 2022. *Id.* PECO claims it has a “detailed hiring plan in place [that puts] PECO firmly on track to achieve its projected head count[s].” *Id.* PECO witness Marissa Humphrey testified that a significant number of new hires would be full-time employees in field operations directly working on PECO’s distribution systems, and that most of these new hires would be graduates of PECO’s “schools.” *Id.* at 3. She further explained that schools are held on an as-needed basis, as determined by the current and forecasted head counts and Electric Operations work plan. *Id.*

IBEW Local 614 had originally submitted that it would be amenable to an adoption of PECO’s version of a “normal” vacancy rate if it proved that there was a change in its hiring and retention practice. **Exh. IBEW-8 at 6–7.** Specifically, if PECO could show that it is going to change (1) its hiring practices by offering more competitive wage and benefit packages and expanding its recruitment efforts and (2) its retention policies to curb turnover, implement training opportunities, and encourage internal advancement, Local 614 believes this will suffice to show that it will be likely to fill these positions. *Id.* at 6.

However, PECO has not shown any changes in its practices or exactly how COVID-19 is to blame for such a large discrepancy. PECO generally cites COVID-19 as the cause

for its high vacancy rate, but only notes that it led to the closing to reduced hiring and the closing of the schools. **Humphrey Rebuttal at 3.** That is only *one* year, and the reality is that these schools do not produce enough graduates per year to meet PECO's staffing needs. This doesn't justify or explain such a high vacancy rate discrepancy.

Moreover, PECO has insisted on its flat and unchanging hiring and retention factors. There is no evidence in the record that anything has changed which justifies such a large leap in the vacancy rate from 2% to 4.43%. **OCA Statement No. 1, Direct Testimony of John Defever ("Defever Direct"), at 9.** Moreover, PECO's responses to IBEW Set 1 Interrogatories have evidenced that PECO has poor internal workforce planning. **Exh. IBEW-5.** For 2022-2025, PECO denies that it budgets by employee classifications, and instead, apparently, it only budgets by total count. *Id.* It is unimaginable that PECO lacks the sophistication or capability to track and plan hiring and retention efforts by classification. Thus, while PECO claims it has a "detailed hiring plan in place," there is simply no evidence in the record supporting that proposition.

PECO's poor workforce planning and bloated forecasted employee count raises two serious concerns. First, if the Commission fails to hold PECO to task for the projection of a *realistic* vacancy rate, it will create a perverse incentive for public utility companies to project higher employee counts than it actually has. Ratepayers will be paying for vacant employee positions that utilities have no incentive to even *try* to fill. Second, PECO's poor workforce planning will allow it to continue recovering "unexpected" contractor expenses. The reality is that there is work that PECO could do in-house, thereby saving ratepayers

money, which it does not do because it does not have sufficient staff whether intentionally or unintentionally.

As such, in addition to the workforce planning report requirements discussed *infra*, IBEW Local 614 adopts OCA's recommendation that a 4.4% vacancy factor be applied, resulting in a reduction of \$4,164,000 to PECO's payroll, including adjustments for payroll tax and benefits as discussed below. **Defever Direct at 10, Exh. JD-E-1 Schedule C-1.**

## 2. Wage and Salary Increases

PECO has annualized the FPFTY salaries and wages ("S&W") as follows: (1) the 2.5% wage increase for union employees forecasted to be effective on January 1, 2025; (2) the 3.0% wage increase for non-union employees forecasted to be effective on March 1, 2025; (3) the projected 2.5% wage increase for unions to be effective on January 1, 2026; and (4) the projected 3.0% wage increase for non-union employees to be effective on March 1, 2026. **PECO Electric Exh. MJT-1, Schedule D-6, p. 69.**

PECO should recover costs which are just and reasonable. 66 Pa. C.S.A. §§ 1301(a) & 1318(a). The Union submits that "reasonable" costs require a higher degree of certainty that the costs will take place. Purely speculative costs do not meet this "reasonable" standard. Those in the bargaining unit will be subject to the contractually agreed upon wages in the collective bargaining agreement which currently extends to 2026. **Exh. IBEW-8 at 5.** These are bargained-for measurable costs, and as such, the Union submits that the wage increases associated with bargaining unit employees are known and measurable. *Id.* Stated differently, unlike with non-bargaining unit employees, the Union

membership has a contractually and statutorily guaranteed right to the referenced wage increases. *See 29 U.S.C. § 185(a)*.

Additionally, allowing the recovery of this cost now will reduce rate shock and the need for rate increase filings. PECO will not be motivated by this cost to return sooner than later for a rate increase and this cost, paid now, will be one less expense that ratepayers will be required to grapple with in 2026.

The wage increases for union employees on January 1, 2026, and March 1, 2026, total \$1,982,000. **PECO Electric Exh. MJT-1, Schedule D-6, p. 68–69, line 15.** For the reasons set forth herein, IBEW Local 614 supports PECO’s recovery of \$1,982,000 associated with the union employee wage increases on January 1, 2026, and March 1, 2026.

### 3. Union Contract Ratification Bonus

IBEW Local 614 supports PECO’s recovery of the one-time union contract ratification payment. The purpose of the payment was to ratify a contract which has extended and governed the working conditions of PECO’s bargaining unit employees. **Exh. IBEW-8 at 4–5.** Ratepayers continue to benefit today by the stability of PECO and IBEW Local 614’s contractual relationship insofar as any conflict by the two are mediated through neutral arbitrators as opposed to work stoppages. *Id.* and *see 29 U.S.C. §§ 141(b) and 151.*

### 4. Employee Benefits Expense and Payroll Taxes

For the reasons provided *supra*, IBEW Local 614 supports recovery of the costs associated with the employee benefits expense and payroll taxes so long as it reflects the 4.4% vacancy rate proposed herein. This results in a reduction of \$967,000 for payroll

taxes and \$1.988 million for benefits. **Defever Direct, Exh. JD-E-1, Schedules C-18 and C-19.**

### **C. IBEW's Proposals for Additional Reporting Requirements**

The Commission has the authority to require a public utility “to file periodical reports, at such times, and in such form, and of such content, as the commission may prescribe and special reports concerning any matter whatsoever which the commission is authorized to inquire or to keep itself informed, or which it is required to enforce.” 66 Pa. C.S.A. § 504. IBEW Local 614 requests that PECO be required to submit the following four periodic reports:

#### 1. Annual Workforce Planning Report

A public utility seeking a general rate increase is entitled to an opportunity to earn a fair rate of return on the value of the property dedicated to public service. *Pa. Gas & Water Co. v. Pa. Pub. Util. Comm'n*, 341 A.2d 239 (Pa. Cmwlth. 1975). In *Bluefield*, the United States Supreme Court stated that a public utility is entitled to a rate of return that, *inter alia*, “enable[s] it to raise the money necessary for the proper discharge of its public duties.” 262 U.S. at 692.

Here, PECO needs to be sufficiently funded to continue and grow its proactive efforts to groom and train workers to replace those who retire. **Exh. IBEW-7 at 10.** Local 614 recognizes that this is not an inexpensive endeavor. *Id.* By and large, PECO cannot simply hire new employees upon the retirement of current ones. *Id.* For multiple skilled positions, the worker still needs to undergo training. *Id.* Thus, there must be a significant period of overlap between the service periods of retirees and their replacements. *Id.* PECO

must spend a substantial amount of money to train employees to ensure that they become fully qualified and at least minimally capable of replacing more seasoned employees. *Id.* In light of these costs, it is imperative that PECO be afforded rate relief sufficient to allow it to proactively ramp up its hiring in these skilled classifications in the short-term so that PECO may have an appropriate number of fully qualified personnel in place as its employees continue to retire, thereby allowing it to continue providing safe and reliable service. *Id.* at 11. Without this in-house workforce, PECO will increasingly rely on volatile and expensive contractor expenses in order to discharge its public duties. As further explained below, this is not a solution but really the trade of one problem for another and larger one.

A workforce planning report will help ensure that PECO receives the necessary costs to continue providing safe and reliable service. Such compliance requirements have been used in Arizona on several occasions and can be seen in the following decision from the Arizona Corporation Commission: ACC Decision No. 76374, pp. 65–66, 2017 Ariz. PUC LEXIS 46, at \*\*105–107 (Ariz. Corp. Comm’n September 19, 2017). Local 614 believes these proactive filings by PECO will ensure it receives adequate funding. Moreover, as PECO has admitted it already tracks these numbers, the Union’s modest request, in practice, is to request this information be made public and be provided with necessary context.

For these reasons and those discussed in relation to PECO’s employee vacancy rate, the Union requests there be an order requiring the following:

PECO shall file and serve a workforce planning report with the Commission and interested Intervenors containing the following information: (i) the identification of each of the specific challenges or issues PECO faces regarding workforce planning; (ii) the specific action(s) PECO is taking to address each challenge or issue; and (iii) an update of the progress PECO has made toward resolving each challenge or issue. The workforce planning report shall be filed annually at the beginning of each calendar year until the conclusion of PECO's next rate case filing and shall be limited to the following job classifications: Line Mechanics for Aerial, Underground, and Overhead Transmission, Power Quality Technicians, Plant Operations Mechanics, and Meter Technicians.

At a minimum, the workforce planning report shall set forth: (i) the number of employees then currently holding these positions; (ii) the present mean and median ages of PECO's workforce with respect to these job classifications; (iii) the share of retirement-eligible employees, both as a percentage and in absolute terms, in each of these job classifications; (iv) the anticipated hiring level and attrition level for each of these job classifications; (v) the identification of each of the specific challenges or issues PECO faces regarding workforce planning; (vi) the specific action(s) PECO is taking to address each challenge or issue; and (vii) an update of the progress PECO has made toward resolving each challenge or issue. The report shall be submitted April 1st of each year and served on all intervenors in this matter.

Requiring this Report will provide a mechanism by which the Commission and interested parties can track (1) PECO's workforce needs; (2) PECO's hiring efforts and retention trends; and (3) any challenges posed by the job market. This information will in turn allow the Commission to make better informed decisions regarding PECO's recovery of contract labor and employee costs.

IBEW Local 614 respectfully requests PECO be required to file and serve an Annual Workforce Planning Report by May 30 of each year, consistent with that of **Exh. IBEW-4**.

2. Annual Capital and O&M Project Lists

IBEW Local 614 submits that a direct consequence of PECO's poor workforce planning has been its overuse of contracted labor. There are higher costs associated with contracted labor as these are categorized as "capital" expenses. **Exh. IBEW-9 at 7**.

To ameliorate the issue of excessive "capital" costs, Maryland Public Service Commission approved the form of the 2024 Capital and O&M Project Lists and Operation Pipeline Project lists—**Exhibit IBEW-2** in the instant case—in MD PSC Order No. 90480, p. 3 (MD PSC January 23, 2023) (*approving* Baltimore Gas and Electric Company's Minimum Filing Requirements in Case No. 9645 (ML 300339) dated Nov. 30, 2022). These project list reports have enabled BGE—an Exelon sister company of PECO—to track its capital expenses and ensure it reduces them as necessary. **Exh. IBEW-9 at 9**. Thus far BGE has reduced its 2024 capital workplan by \$84 million. The Union requests that PECO be required to file a Capital and O&M Project List Reports in this docket and serve copies of the same to all intervenors by May 30 of each year until its next rate application.

3. Annual Reconciliation of Rate Base and Operating Income

In paragraph 19 the Non-Unanimous Settlement, PECO commits to preparing, in its next base rate proceeding, a comparison of its actual expenses and rate base additions for the twelve months ended December 31, 2025, to its projections in this case. While a step in the right direction, IBEW Local 614 submits that this reconciliation report should be

required on an annual basis and made available to all interested intervenors. **See Exh. IBEW-9 at 7; Exh. IBEW-3.** Such a report was approved by the Maryland Public Service Commission in MD PSC Order No. 89482, pp. 3–5, 17, 37–38 (MD PSC February 4, 2020), *affirmed* MD PSC Order No. 89678, p. 3 & n. 4 (MD PSC December 16, 2020), and provides some much-needed transparency to the utilities projected versus actual costs.

The Union respectfully requests that PECO be required to file an annual Reconciliation filing in this docket and serve copies on all intervenors by May 30 of each year until its next rate application.

#### 4. Schedule of Affiliate Transactions

PECO's corporate affiliation with other Exelon companies has raised concerns in other dockets which the Union believes should be proactively addressed here. Specifically, the Union believes this docket would benefit from added transparency moving forward regarding transactions between PECO and other Exelon-affiliated companies. Such reporting will ensure PECO is charging and being charged an appropriate amount. Specifically, the Union wants to ensure that other Exelon companies are not charging PECO inflated costs that do not reflect the value of what is being acquired by PECO and then passing those expenses on to ratepayers.

Of special concern is the contract labor costs for extreme weather-related expenses. When extreme weather, including major storms, and other emergencies result in large-scale damage to PECO's electric or gas delivery systems, PECO must immediately organize crews to safely and reliably repair the damage and stabilize the grid. **Exh. IBEW-8 at 8.** When the damage is so extensive that PECO personnel are insufficient to restore service to

customers in a timely fashion contractors and crews from other utilities are generally brought in to support PECO's efforts. *Id.* at 9. The prudence of the costs associated with this supplemental labor needs further review, especially when it is Exelon-affiliated utilities that provide the labor. Those transactions cannot be said to be at arm's length, and thus are prone to be abused.

IBEW Local 614 therefore submits that requiring PECO to produce, on an annual basis, a Summary Schedule Affiliate Transactions report, similar to that of **Exh. IBEW-1**, would shed some much-needed light on PECO's reliance on, amongst other things, the resources of the other members of the Exelon family of companies. **Exh. IBEW-1**. The Delaware Public Service Commission approved the filing of a similar report, which is an exhibit in this case—**Exh. IBEW-1**—in DE PSC Order No. 5469, p. 8 & Attachment "A," pp. 2–3, 202 P.U.R.4th 53, 2000 Del. PSC LEXIS 116, at \*\*16 & 31 (Del. P.S.C. June 20, 2000).

The Union requests that PECO be required to do the same in this docket and serve a copy of the same to all intervenors by May 30 of each year until its next rate application.

#### **D. Electric Vehicle ("EV")-Related Certification**

As mentioned *supra*, the Public Utility Code expressly recognizes the safety of public utility employees as a key concern. To further this consideration, IBEW Local 614 proposes the following qualifications be imposed on any labor contracted by PECO, including employees, contractors, and subcontractors, when developing and working on the EV infrastructure:

In order to be a qualified contractor or subcontractor who works on the EV Infrastructure, the qualified contractor or subcontractor must: (1) have a valid certificate of insurance showing the following coverages: general liability, professional liability, product liability, worker's compensation, completed operations, hazardous occupation, and automobile; (2) assure that all its employee safety training is completed in compliance with public service corporation guidelines, policies and 29 C.F.R. 1926; (3) provide evidence of participation in apprenticeship and training programs, applicable to the work to be performed on the project, which are approved by and registered with the United States Department of Labor's Office of Apprenticeship, or its successor organization; and (4) comply with the prevailing wage requirements according to the type of work and location of the project.

EV infrastructure equipment, software and services may be procured directly and in bulk through a fair and open Request for Proposal process to maximize cost effectiveness, ensure a competitive market, preserve the health of the workers and patrons interfacing with the EV infrastructure equipment, and consider, on a qualitative basis, factors that affect employment and the long-term economic viability of Pennsylvanian communities. To this end, PECO shall request the following information regarding "best value" employment metrics: employment of Pennsylvania workers as compared to importation of out-of-state workers, long-term career opportunities, and industry-standard wages, healthcare and pension benefits. When PECO proposes to construct EV infrastructure equipment of its own, PECO shall supply similar information to the Commission.

**Exh. IBEW-7 at 14–15.**

All employees and contractors should also be certified through the Electric Vehicle Infrastructure Training Program ("EVITP"), which has been endorsed by the Biden administration for use on all projects relating to the National Electric Vehicle Infrastructure ("NEVI") Formula Program, which provides funding to states for strategically deploying EV charging infrastructure. *Id.* It has also been adopted by many

cities and states as a required certification for electricians working on EV infrastructure.

*Id.* The Pennsylvania Department of Transportation, for example, requires EVITP certification (or its equivalent) for electricians working on its NEVI Formula Program.

*Id.*; **Exh. IBEW-13.**

The EVITP certification course provides the most comprehensive training for electricians installing electric vehicle supply equipment in North America. *See* <https://evitp.org/training/>. It provides a full overview of the EV industry and, in collaboration with the industry, offers the perspectives of *utilities*, automakers, EV equipment manufacturers, and other key stakeholder associations. Providing electricians with this understanding of the EV industry ensures that they understand the market enough to adequately address customer questions, concerns, and satisfaction.

In order to be eligible for EVITP certification, the participant must be a state licensed or certified electrician. The qualifying participants then complete a course instruction that covers the following topics:

- 1) EV prospect/customer relations and experience;
- 2) Automobile manufacturer's charging performance integrity specifications;
- 3) EV battery types, specifications, and charging characteristics;
- 4) Utility interconnect policies and requirements;
- 5) Utility grid stress precautions including demand response integration technologies;
- 6) Role of electrical storage devices as charging intermediaries;

- 7) Installing, commissioning, and maintaining electric storage devices;
- 8) Charging station fundamentals including brand/model-specific installation instructions for:
  - a. Level 1: 120 VAC 15 amps
  - b. Level 2: 120-240 VAC 60 amps
  - c. Level 3: 480 VAC 125 amps or 600 VDC 550 amps
  - d. Level 4: DC Ultra Fast Chargers;
- 9) Service-level assessments and upgrade implementation;
- 10) Integration of electric vehicle infrastructure with distributed generation;
- 11) Understanding Internet Protocol networking of charging stations;
- 12) National Electrical Code standards and requirements;
- 13) National Fire Protection Association 70E and OSHA regulations;
- 14) National Electrical Installation Standards for EV equipment;
- 15) First responder safety and fire hazard measures;
- 16) Next Generation Charging; and
- 17) EVSE Troubleshooting, Repair and Commissioning.

After completing this course instruction and passing an exam (a combined 20-hour endeavor), electricians are confirmed as EVITP certified. This certification is available to union or non-union electricians.

Local 614 submits that, like Pennsylvania, the Commission should require PECO have those working on its EV infrastructure projects be EVITP certified. A full list of

Contractors who employ EVITP Certified electricians within Pennsylvania is available here: <https://evitp.org/pennsylvania>.

## V. CONCLUSION

IBEW Local 614 respectfully requests the following relief:

### A. With respect to PECO's CSRs:

- a. An Order requiring PECO to provide additional and uniform training to both CSRs and CSR supervisors on CCMV and credit collection such that these issues addressed in Section III(A), *supra* will be minimized;
- b. An Order requiring PECO to provide training to CSR supervisors regarding the CSRs' role, the programs they use, and navigating PECO's billing system;
- c. An Order requiring PECO to change its practices regarding CSRs to reduce overtime, increase training, and eliminate write-ups when a CSR is unable to perform mandated overtime;

### B. An Order requiring PECO to adopt the qualification standards for all employees, contractors, and subcontractors working on PECO's electric infrastructure consistent with that briefed in Section IV(A), *supra*;

### C. With respect to PECO's application to recover payroll related expenses:

- a. An Order adopting OCA's recommendation that a 4.4% vacancy factor be applied to PECO's payroll expenses, resulting in a reduction of \$4,164,000 to PECO's payroll, including adjustments for payroll tax and benefits;

- b. Recovery of \$1,982,000 associated with the union employee wage increases on January 1, 2026, and March 1, 2026;
  - c. Recovery of PECO's one-time union contract ratification payment;
- D. An Order requiring PECO to file and serve on all interested Intervenors, no later than May 30 of the following year and for each year until PECO's next rate base case:
- a. An Annual Workforce Planning Report consistent with that of **Exh. IBEW-4**.
  - b. A Capital and O&M Project List Report consistent with **Exh. IBEW-2**.
  - c. An annual Reconciliation filing consistent with **Exh. IBEW-3**;  
and
  - d. A Summary Schedule Affiliate Transactions report consistent with **Exh. IBEW-1**;
- E. With respect to PECO's EV projects:
- a. An Order requiring PECO to adopt specific qualification standards for any labor contracted by PECO when developing and working on EV infrastructure, consistent with the requirements set forth in Section D, *supra*;
  - b. An Order requiring PECO contractors and subcontractors to have EVITP certification before working on electric vehicle installation and related equipment;

F. Subject to the modifications in Sections V(A)–(J) *supra*, approving PECO’s  
Tariff Electric – Pa. P.U.C. No. 8.

RESPECTFULLY SUBMITTED this 6th day of September, 2024.

LUBIN & ENOCH, P.C.  
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