

COMMONWEALTH OF PENNSYLVANIA



DARRYL A. LAWRENCE
Interim Acting Consumer Advocate

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April 11, 2025

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Petition of PECO Energy Company for
Authority to Defer for Regulatory
Accounting and Reporting Purposes Certain
Losses from Extraordinary Storm Damage
Related to the February 2025 Storm;
Docket No. P-2025-3054294

Dear Secretary Chiavetta:

Enclosed please find the Answer of the Office of Consumer to PECO's Petition for
Extraordinary Storm Damage in February 2025 in the captioned proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectively,

/s/ Katherine Kennedy
Katherine Kennedy, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 317237
Email: KKennedy@paoca.org

Enclosures

cc: Chief Administrative Law Judge Charles E. Rainey Jr. (Email: crainey@pa.gov)
Office of Special Assistants (ra-OSA@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Petition of PECO Energy Company for :
Authority to Defer for Regulatory :
Accounting and Reporting Purposes Certain : Docket No. P-2025-3054294
Losses from Extraordinary :
Storm Damage Related to the February 2025 :
Storm :
:

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Answer to PECO Energy Company’s petition for Authority to Defer for Regulatory Accounting and Reporting Purposes Certain Losses from Extraordinary Storm Damage Related to the February 2025 Storm, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 11th day of April 2025.

SERVICE BY E-MAIL ONLY

NazAarah Sabree
Office of Small Business Advocate
Forum Place, 1st Floor
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Jack R. Garfinkle
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Philadelphia, PA 19103
Jack.Garfinkle@exeloncorp.com
Counsel for PECO

Respectfully submitted,

Counsel for:
Darryl A. Lawrence
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
717-783-5048

Dated: April 11, 2025

/s/ Katherine Kennedy
Katherine Kennedy, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 317237
Email: KKennedy@paoca.org

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for	:	
Authority to Defer for Regulatory	:	Docket No. P-2025-3054294
Accounting and Reporting Purposes Certain	:	
Losses from Extraordinary	:	
Storm Damage Related to the February 2025	:	
Storm	:	
	:	

ANSWER OF THE OFFICE OF CONSUMER ADVOCATE
TO THE PETITION OF PECO ENERGY COMPANY

On or about March 28, 2025, PECO Energy Company (PECO or Company) filed the Petition of PECO Energy Company for Authority to Defer for Regulatory Accounting and Reporting Purposes Certain Losses from Extraordinary Storm Damage Related to the February 2025 Storm. Petition at ¶ 1. According to the Company’s Petition, the storm in question struck PECO’s service territory on or about February 16, 2025 and February 19, 2025 (February Storm). Petition at ¶ 1. The Petition provides that, as of October 31, 2024, the total incremental storm expense was \$15.9 million, excluding straight-time internal labor and capital expenses. Petition at ¶ 10. The Company claims that this amount exceeds the extraordinary expense threshold of 5% established in General Instruction 7 of the Uniform System of Accounts¹, as it represents approximately 5.3% of PECO’s income for the twelve-month period ending on or about December 31, 2024. Petition at ¶ 10; *see also Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act*, 18 CFR pt. 101.

¹ The Commission’s regulations adopt the Federal Energy Regulatory Commission’s (“FERC”) Uniform System of Accounts as the accounting standard for electric public utilities in Pennsylvania. 52 Pa. Code § 57.42(a). General Instruction 7 notes that generally an item should result in expenses totaling more than 5% of income to be treated as an extraordinary item. *Id.*

The Company is requesting authority from the Commission to defer, for accounting purposes only, the expenses associated with its repair of the storm-related damages. The Company is not requesting that the Commission make a final determination at this time as to the recovery of its costs. Rather, PECO is requesting that the Commission address, in the Company's next general rate increase proceeding pursuant to Section 1308(d) of the Public Utility Code, the issue of recovery for this storm damage expense, including the prudence and reasonableness of these costs. Petition at ¶¶ 11-13.

When a utility seeks authorization from the Commission for deferral accounting of an extraordinary expense item, no factual record is created, and its determination shall have no weight in any future proceeding seeking recovery of these costs. *See, e.g., Petition of West Penn Power Company for Authorization to Defer, for Regulatory Accounting and Reporting Purposes, Certain Losses from Extraordinary Storm Damage*, P-2019-3014314, Order at 5 (Order entered Jan. 16, 2020)².

The Office of Consumer Advocate (OCA) submits that, if the Commission grants PECO's instant Petition, the following conditions, at a minimum, should apply:

1. That the authorization granted to PECO for deferred accounting treatment carries no assurance of future rate recovery;
2. That PECO be directed to claim its deferred costs at the first available opportunity;
3. That any authorization for deferred accounting treatment be limited to actual operations and maintenance costs, net of any insurance recovery;
4. That any opinion and order in this matter will in no way limit the ability of any party to a future rate case to oppose rate recovery of any of the costs deferred pursuant to the limited authorization granted herein.

The OCA submits that if PECO's Petition is to be granted, inclusion of these conditions is critical.

² Available at: <https://www.puc.pa.gov/pcdocs/1651395.docx>.

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Commission include the conditions proposed herein, should it decide to grant PECO's Petition.

Respectfully Submitted,

/s/ Katherine "Katie" Kennedy
Katherine "Katie" Kennedy
Assistant Consumer Advocate
PA Attorney I.D. # 317237
KKennedy@paoca.org

Office of Consumer Advocate
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Counsel for:
Darryl A. Lawrence
Acting Consumer Advocate

Dated: April 11, 2025

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for	:	
Authority to Defer for Regulatory	:	Docket No. P-2025-3054294
Accounting and Reporting Purposes	:	
Certain Losses from Extraordinary Storm	:	
Damage Related to the February 2025	:	
Storm	:	
	:	
	:	
	:	

VERIFICATION

I, Darryl A. Lawrence, hereby state that the facts above set forth in my Answer, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: April 11, 2025

Signature:

Darryl Lawrence

Darryl A. Lawrence

Address:

555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923