



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF  
INVESTIGATION  
&  
ENFORCEMENT

June 20, 2025

**Via Electronic Filing**

Matthew L. Homsher, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v.  
PECO Energy Company  
Docket No. R-2025-3054868  
**I&E Prehearing Memorandum**

Dear Secretary Homsher:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement in the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Michael Podskoch'.

Michael A. Podskoch, Jr.  
Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney ID No. 330132  
(717) 783-6151  
[mpodskoch@pa.gov](mailto:mpodskoch@pa.gov)

MAP/ac  
Enclosures

cc: Administrative Law Judge F. Joseph Brady (*via email* – [fbrady@pa.gov](mailto:fbrady@pa.gov))  
Pamela McNeal, Legal Assistant (*via email* – [pmcneal@pa.gov](mailto:pmcneal@pa.gov))  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3054868
	:	
PECO Energy Company – 1307(f)	:	

---

**PREHEARING MEMORANDUM OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT**

---

**TO ADMINISTRATIVE LAW JUDGE F. JOSEPH BRADY:**

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Bureau of Investigation and Enforcement Prosecutor in this proceeding will be Michael A. Podskoch, Jr. Contact information is as follows:

By mail:                   Michael A. Podskoch, Jr.  
                                  Pennsylvania Public Utility Commission  
                                  Bureau of Investigation and Enforcement  
                                  Commonwealth Keystone Building  
                                  400 North Street  
                                  Harrisburg, PA 17120

By e-mail:                [mpodskoch@pa.gov](mailto:mpodskoch@pa.gov)

By telephone:           (717) 783-6151

## **I. INTRODUCTION**

On April 30, 2025, PECO Energy Company – Gas Division (“PECO” or “Company”) submitted its pre-filing information in support of its annual reconciliation of purchased gas costs rates.

On May 2, 2025, I&E filed its Notice of Appearance. On May 8, 2025, the Office of Consumer Advocate (“OCA”) filed a Formal Complaint, Public Statement, and its Notice of Appearance. On May 27, 2025, the Philadelphia Area Industrial Energy Users Group (“PAIEUG”) filed a Petition to Intervene. On May 28, 2025, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance. On June 9, 2025, OSBA filed a Formal Complaint and Public Statement.

On May 30, 2025, PECO made its Annual Purchased Gas Cost Rate filing in accordance with Section 1307(f) of the Public Utility Code.

On June 9, 2025, I&E received a Prehearing Conference Order which was issued to advise parties that Administrative Law Judge (“ALJ”) F. Joseph Brady would be presiding in this case and to memorialize the date, time, and requirements for the Prehearing Conference.

Pursuant to the Prehearing Conference Order, a telephonic Prehearing Conference is scheduled on June 24, 2025 at 10:00 a.m. before ALJ Brady.

## **II. ISSUES**

The following list represents I&E’s preliminary determination of the potential issues in this proceeding:

1. Quarterly E-factor and PGC rates reconciliation
2. Pass-back of suppliers’ refund and penalty credit with interest at 6%
3. Application of proper interest rate for over/under collection of gas cost in the PGC rate calculation
4. Compliance with audit recommendations made in the Commission’s Report on Statements of Purchased Gas Costs

5. Renewable Natural Gas
6. Retainage Rate
7. Spot Market Purchases – Company’s reliance on Spot Market Purchases
8. Capacity Requirements
9. Local Production Purchases
10. Peak Day Forecasts
11. Peak Capacity to Serve Design Day
12. Mix of Capacity
13. Increase in Capacity
14. Meeting Peak Day needs
15. Hedging Practices
16. Incentive Mechanisms
17. Off-system Sales

The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues as it deems appropriate if any such relevant issues arise.

### **III. WITNESSES**

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

1. Getachew Bedasa, Fixed Utility Financial Analyst
2. Esysan Sakaya, Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the information listed above for Mr. Podskoch. The witness list is provided without the benefit of complete discovery or analysis of the positions of the other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

### **IV. EVIDENCE**

I&E expects to present all written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearings. Moreover, I&E intends to rely on the Company’s filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information

sources, and other public documents and reports. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

**V. DISCOVERY**

Discovery in this matter has begun and is ongoing. I&E has not proposed any discovery modifications. I&E supports the discovery modifications proposed by PECO.

**VI. SCHEDULE**

I&E supports the following litigation schedule as proposed by PECO:

Non-Company Direct Testimony	July 8, 2025
Rebuttal Testimony	July 15, 2025
Surrebuttal Testimony	July 21, 2025
Evidentiary Hearings	July 28-29, 2025
Main Briefs	August 4, 2025
Reply Briefs	August 6, 2025

I&E requests that the evidentiary hearings in this proceeding be held in Harrisburg in order to save the Commission the expense of sending the I&E prosecutor and witnesses to out-of-town hearings.

**VII. SERVICE OF DOCUMENTS**

I&E requests that all documents in this proceeding be served on:

Michael A. Podskoch, Jr., Esq.  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[mpodskoch@pa.gov](mailto:mpodskoch@pa.gov)

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, briefs, and other documents during this proceeding, and consistent with Commission regulations and policy, I&E proposes to both only serve and accept electronic delivery of documents.

### **VIII. SETTLEMENT**

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,



Michael A. Podskoch, Jr.  
Prosecutor  
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Dated: June 20, 2025

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,

v.

PECO Energy Company

:  
:  
:  
:  
:

Docket No. R-2025-3054868

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated June 20, 2025,  
in the manner and upon the person listed below.

**Served via Electronic Mail Only**

Courtney L. Schultz, Esq.  
Kruti B. Patel, Esq.  
Shane P. Simon, Esq.  
Saul Ewing LLP  
1500 Market Street, 38th Floor  
Philadelphia, PA 19102  
[courtney.schultz@saul.com](mailto:courtney.schultz@saul.com)  
[kruti.patel@saul.com](mailto:kruti.patel@saul.com)  
[shane.simon@saul.com](mailto:shane.simon@saul.com)

Adesola K. Adegbesan, Esq.  
Jack R. Garfinkle, Esq.  
PECO Energy Company  
2301 Market Street S23-1  
Philadelphia, PA 19103  
[adesola.adegbesan@exeloncorp.com](mailto:adesola.adegbesan@exeloncorp.com)  
[jack.garfinkle@exeloncorp.com](mailto:jack.garfinkle@exeloncorp.com)

Charis Mincavage, Esq.  
Adeolu A. Bakare, Esq.  
Victoria A. Geddis, Esq.  
McNees Wallace & Nurick LLC  
100 Pine Street  
Harrisburg, PA 17101  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
[vgeddis@mcneeslaw.com](mailto:vgeddis@mcneeslaw.com)

Steven C. Gray, Esq.  
Office of Small Business Advocate  
555 Walnut Street  
1st Floor, Forum Place  
Harrisburg, PA 17101-1923  
[sgray@pa.gov](mailto:sgray@pa.gov)

Katherine Kennedy, Esq.  
Harrison W. Breitman, Esq.  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
[OCAPECO1307f25@paoca.org](mailto:OCAPECO1307f25@paoca.org)

  
\_\_\_\_\_  
Michael A. Podskoch, Jr.  
Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney ID No. 330132  
(717) 783-6151  
[mpodskoch@pa.gov](mailto:mpodskoch@pa.gov)