

COMMONWEALTH OF PENNSYLVANIA



DARRYL A. LAWRENCE
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

August 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.
Energy Center Harrisburg LLC
Docket Nos. R-2025-305959

Dear Secretary Homsher:

Attached for electronic filing, please find the Office of Consumer Advocate's Formal Complaint and Public Statement in this proceeding.

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

Respectfully submitted,

/s/ Christy Appleby
Christy Appleby
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
CAAppleby@paoca.org

Enclosures

cc: The Honorable Charles E. Rainey, Jr. (email only: crainey@pa.gov)
Office of Special Assistants (email only: ra-OSA@pa.gov)
Paul Diskin, TUS (email only: pdiskin@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3055959
	:	
Energy Center Harrisburg, LLC	:	
	:	

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 Formal Complaint and Public Statement, 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 20th day of August, 2025.

SERVICE BY E-MAIL ONLY

Carrie B. Wright, Esq.
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
carwright@pa.gov
Counsel for BIE

Steven C. Gray, Esq.
Office of Small Business Advocate
Forum Place, 1st Floor
555 Walnut Street
Harrisburg, PA 17101
sgray@pa.gov
Counsel for OSBA

David P. Zambito
Cozen O'Connor
17 North Second St., Suite 1410
Harrisburg, PA 17101
dzambito@cozen.com

William Lesser
Cozen O'Connor
3 WTC, 175 Greenwich Street, 55th Floor
New York, NY 10007
wlesser@cozen.com

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: 717-783-5048
Fax: 717-783-7152

Dated: August 20, 2025

/s/ Christy Appleby
Christy Appleby, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 85824
CAappleby@paoca.org

Harrison Breitman, Esq.
Assistant Consumer Advocate
ECH2025BRC@paoca.org

Counsel for:
Darryl A. Lawrence
Consumer Advocate

PENNSYLVANIA PUBLIC UTILITY COMMISSION

FORMAL COMPLAINT

1. COMPLAINANT INFORMATION

Darryl A. Lawrence, Consumer Advocate

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

Phone: 717-783-5048

2. FULL NAME OF UTILITY COMPANY:

Energy Center Harrisburg, LLC
Docket No. R-2025-3055959

3. TYPE OF UTILITY:

Steam Heat

4. COMPLAINT:

- A. On July 18, 2025, the Energy Center Harrisburg, LLC (ECH) filed Supplement No. 66 to Tariff Steam-Pa. P.U.C. No. 4 (Supplement No. 66) to become effective September 16, 2025. A full suspension by the Public Utility Commission (Commission) would delay the increase until April 18, 2026.
- B. Through Supplement No. 66, ECH proposes an overall increase in annual steam service revenues of \$894,300, or 11.6% on a total bill (fuel and nonfuel) basis. ECH proposes that the rate increase take effect on September 16, 2025. For residential customers, ECH estimates that a typical customer using 8 million pounds (Mlbs) of steam per month, would see an increase in their monthly bill (fuel and nonfuel) from \$215 to \$243 or 13%. High Pressure Commercial and Industrial customers would also see an increase of approximately 13%.
- C. ECH provides steam heat service to approximately 100 customers in the central business district of Harrisburg, Dauphin County PA. ECH classifies 68 of its customers as seasonal, 22 as continuous and 11 as “contract.”

- D.** The OCA will investigate the basis for and calculation of the estimated bill increases to ensure that they are consistent with applicable standards and that they will produce just and reasonable rates.
- E.** The proposed rate changes noted above do not reflect the changes that will be experienced by all customers; rather, they reflect changes for customers using the quantity upon which ECH has projected future rates. In the OCA's experience, the projected increases can underestimate the impact of the rate increase for some customers.
- F.** In its filing, the ECH utilized a combination of Historic, Future and Fully Projected Future Test Year (FPFTY) data. The FPFTY ends April 18, 2027.
- G.** ECH maintains that its steam business exists in a very competitive environment and that customers can choose alternative heating options if steam rates rise significantly. To avoid the loss of customers, ECH contends that it is seeking a smaller increase than would otherwise be supportable based on its financial records. As calculated by ECH, the proposed rate increase of \$894,300 would produce an overall rate of return of 3.28%.
- H.** In this case, ECH is proposing a key change to its rate structure. It proposes to move away from its current minimum bill and per Mlb usage charge in favor of a fixed monthly capacity charge for all customers. The fixed charge would be based on Equivalent Cubic Footage (ECF) for seasonal customers and Equivalent Maximum Pounds (EMP) for continuous customers. In its filing, ECH explains that each individual customer's ECF or EMP would be back-calculated to match exactly the per Mlb increase that would have been charged under the existing rate structure. ECH Statement No. 2 at 12. ECH's rate structure proposal represents a form of revenue decoupling that, if implemented, may not meet the standard of just and reasonable rates and should be investigated. Moreover, ECH's proposed methodology for calculating the proposed fixed monthly capacity charge may not result in just and reasonable rates and should be investigated.
- I.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the General Assembly, as amended. 71 P.S. §§ 309-1, *et seq.*
- J.** A preliminary examination of ECH's base rate filing indicates that the proposed increases in rates may be unjust, unreasonable, in violation of law, and will or may produce an excessive return on investment in violation of the Public Utility Code. 66 Pa. C.S. § 1301, *et seq.*
- K.** The Consumer Advocate avers that the proposed tariff changes, proposed rate design, and proposed methodology to support the rate design may be unjust, unreasonable, and unlawfully discriminatory in violation of the Public Utility Code,

66 Pa. C.S. Sections 1301 and 1304, *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.

- L. The Consumer Advocate also avers that the Company's existing rates, rules, and regulations are or may not be just and reasonable or otherwise proper under the Public Utility Code, 66 Pa. C.S. Section 1301, *et seq.*, and applicable ratemaking principles.
- M. Whether rates are just and reasonable is inextricably intertwined with the quality of service provided. *Nat'l Utils. v. Pa. PUC*, 709 A.2d 972, 973 (Pa. Cmwlth. 1998). Therefore, all issues pertaining to the adequacy and reasonableness of a utility's service and facilities are relevant to whether a utility's existing or proposed rates are just and reasonable. 66 Pa. C.S. §§ 1301, 1501.
- N. In reaching a decision on whether to grant ECH's rate increase as well as its various rule and tariff changes, the Public Utility Commission must give "due consideration to the interests of consumers." 71 Pa. Stat. Ann. §309-5(2).
- O. A preliminary examination of the Company's filed Supplement No. 66 and request for a general rate increase indicates that:
 - 1. The proposed changes and increase in rates, proposed rate schedule modifications and transfers, and proposed changes in rate policy, rules and regulations contained in the proposed Tariff may be unjust, unreasonable, in violation of the law and may produce an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. Section 1301, *et seq.*;
 - 2. The proposed tariff changes and proposed rate structure and rate design may be unlawfully discriminatory, in violation of the Public Utility Code, 66 Pa. C.S. Sections 1301 and 1304, *et seq.*, and are otherwise contrary to sound ratemaking principles and public policy.
 - 3. The Company's existing rates, rules, and regulations may not be just and reasonable or otherwise proper under the Public Utility Code and applicable ratemaking principles. 66 Pa. C.S. § 1301 *et seq.*
 - 4. The character of service and facilities furnished and maintained by the Company may not be adequate, efficient, safe, reasonable, reasonably continuous, or without unreasonable interruptions or delay, in violation of Section 1501 of the Public Utility Code. 66 Pa. C.S. § 1501. The character of service and facilities may not be in conformity with Commission regulations or orders. 66 Pa. C.S. § 1501. Additionally, the Company may have failed to 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. § 1501.

- P.** The Consumer Advocate files this Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether the Company's (1) existing and proposed rates are just, reasonable, and are not unduly discriminatory or otherwise unlawful, and (2) service and facilities are adequate, efficient, safe, reasonable, reasonably continuous, without unreasonable interruptions or delay, and in conformity with Commission regulations and orders.

5. RELIEF

The Consumer Advocate respectfully requests that the Commission take the following actions:

- A.** Suspend and investigate the operation of the proposed tariff supplement, Supplement No. 66 to Tariff Steam -Pa. P.U.C. No. 4 pursuant to Section 1308(d) of the Public Utility Code. 66 Pa. C.S. §1308(d);
- B.** Enter a suspension order at the next scheduled Public Meeting following the date of this Complaint, which is August 28, 2025, in order to expedite this matter being assigned to the Office of Administrative Law Judge, which would allow the commencement of necessary procedural steps for purposes of developing a reasonable procedural schedule in this matter;
- C.** Direct the Office of Administrative Law Judge to use the April 16, 2026, Public Meeting as the deadline for a final Commission determination in this matter and for purposes of setting a deadline for a Recommended Decision and developing a litigation schedule in this matter;
- D.** Consolidate all complaints filed against the proposed increase for steam service;
- E.** Ensure that ECH has provided appropriate and adequate notice in accordance with the Public Utility Code and the Commission's regulations;
- F.** Hold full evidentiary hearings examining the justness and reasonableness of ECH's current rates and its proposed increase;
- G.** After providing the public with adequate notice, and as early in the proceeding as possible, determine the quantity, type (in-person/telephonically), and location of public input hearings in ECH's service territory in order to provide ECH customers with an opportunity to be heard orally on the record;
- H.** After reasonable notice, as raised by consumer testimony in public input hearings or a party's written direct or supplemental direct testimony, and after hearing of the same, make findings as to whether the service or facilities of any public utility are

unreasonable, unsafe, inadequate, insufficient, or unreasonably discriminatory, or otherwise in violation of the Public Utility Code. 66 Pa. C.S. § 1505(a).

- I. Consider, in addition to all other relevant evidence of record, the efficiency, effectiveness and adequacy of service of each utility when determining just and reasonable rates. 66 Pa.C.S. § 523. On the basis of the Commission’s consideration of such evidence, give effect to it by making such adjustments to specific components of the utility’s claimed cost of service as it may determine to be proper and appropriate, on the basis of specific findings upon evidence of record, which findings shall be set forth explicitly, together with their underlying rationale, in the final order of the commission. 66 Pa.C.S. § 523.
- J. Reject, in whole or in part, a public utility’s request to increase its rates where the Commission concludes, after hearing, that the service rendered by the public utility is inadequate in that it fails to meet quantity or quality for the type of service provided. 66 Pa. C.S. § 526.
- K. Where the Commission finds that service or facilities of the public utility are unreasonable, unsafe, inadequate, insufficient, or unreasonably discriminatory, or otherwise in violation of the Public Utility Code, determine and prescribe, by regulation or order, the reasonable, safe, adequate, sufficient, service or facilities to be observed, furnished, enforced, or employed, including all such repairs, changes, alterations, extensions, substitutions, or improvements in facilities as shall be reasonably necessary and proper for the safety, accommodation, and convenience of the public. 66 Pa. C.S. § 1505(a).
- L. Grant such other relief that the Commission may deem appropriate.

6. VERIFICATION AND SIGNATURE

I, Darryl A. Lawrence, Consumer Advocate, hereby state that the facts above set forth are true and correct (or 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).

/s/ Darryl A. Lawrence

Signature

August 20, 2025

Date

7. Legal Representation

Christy M. Appleby, Senior Assistant Consumer Advocate, PA Bar No. 85824
Harrison W. Breitman, Assistant Consumer Advocate, PA Bar No. 320580

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

Phone: 717-783-5048

E-mail: ECH2025BRC@paoca.org

PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUSANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. Section 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in the proceedings before the Commission involving the proposed steam heat rate increase by the Energy Center Harrisburg, LLC (ECH).

On July 18, 2025, ECH filed a general rate increase request seeking the Commission's approval to increase its overall steam heat revenue by approximately \$849,300 per year, or 11.6%. The monthly bill for a residential steam heat customer using 8 million pounds (Mlb) of steam per month would increase from \$215 to \$243, or by 13%. ECH is also seeking the Commission's approval to change its rate design from a volumetric charge (including a minimum bill) to a fixed capacity charge rate structure.

The objective of the Consumer Advocate in filing this complaint is to protect the interests of ECH's customers. The Consumer Advocate will seek to ensure that ECH is permitted to implement only rates that are fully justified, just and reasonable, not unduly discriminatory, and otherwise consistent with sound ratemaking principles and the Public Utility Code, Commission regulations and orders, and case law. The Consumer Advocate submits that ECH's proposed rates may be unjustifiable and unlawful based upon the information filed by ECH in support of its claim.