



August 21, 2025

VIA E-FILE

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Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor North
Filing Room
Harrisburg, PA 17120

Re: **Request of Energy Center Harrisburg LLC Under Sections 2102(a) and 2102(b) of the Pennsylvania Public Utility Code for Approval of an Agreement with an Affiliated Entity; Docket No. G-2025-3056345**

Request for Approval of Affiliated Interest Agreement between Energy Center Harrisburg LLC and Energy Center Paxton LLC

Dear Secretary Homsher:

Enclosed for eFiling with the Pennsylvania Public Utility Commission in the above-referenced matter, are the responses to Data Requests TUS-1 through TUS-3, filed by Energy Center Harrisburg LLC.

If you have any questions regarding this filing, please direct them to me. Thank you for your attention to this matter.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito

Counsel for **Energy Center Harrisburg LLC and Energy Center Paxton LLC**

DPZ:kmg
Enclosure

**Request of Energy Center Harrisburg LLC Under Sections 2102(a) and 2102(b) of
the Pennsylvania Public Utility Code for Approval of an Agreement with an
Affiliated Entity, Energy Center Paxton LLC
Docket No. G-2025-3056345**

Responses of Energy Center Harrisburg, LLC to Data Requests TUS 1-3

**Respondent: Keith L. Li, Consultant
Energy Center Harrisburg LLC**

In preparation of these responses, Energy Center Harrisburg LLC (“ECH”) recognized that it had inadvertently eliminated the ground lease charge from the Amendment to the Agreement. The total monthly charge should be \$21,306, which includes \$5,400 for the ground lease charge. ECH will file a substituted amendment with the total monthly charge that includes the ground lease charge.

TUS-1. The predecessor to this AIA, approved on August 25, 2011, between NRG Energy Center Harrisburg LLC and NRG Energy Center Paxton LLC at Docket No. G-2010-2212424, established a monthly billing rate of \$24,000, charged by NRG Energy Center Harrisburg LLC to NRG Energy Center Paxton LLC. Given the economic impact of inflation and the general rise in operations, maintenance, and other costs since 2011, please provide a detailed justification for the proposed reduced monthly charge of \$15,906, approximately \$8,000, or 34%, less than the previously approved rate.

To assist in our review, please address the following:

- Scope of Services: Has the scope or quantity of services provided changed in a manner that justifies the reduction in monthly charges? If so, please describe the changes in scope or service level in detail.
- Cost Breakdown: Please provide a breakdown of the proposed \$15,906 monthly charge by service category (e.g., operations, maintenance, administrative, utilities, etc.). Include any supporting calculations, assumptions, or cost allocation methodologies used to derive the total monthly charge.

RESPONSE: Below is a description of the changes that have resulted in reduced monthly charges to Energy Center Paxton LLC (“Energy Center Paxton”) and Harrisburg Cooling LLC (“Harrisburg Cooling”), which includes a description of changes in scope of services and applicable cost breakdown, as requested.

Please note that the cumulative 14-year escalation from 2011 to 2025 was approximately 35% based on the 2025 charge compared to the original 2011 charge. Each year the escalation was calculated using the current GDP price deflators. Additionally, the original \$24,000 monthly billing rate included the \$4,000 ground lease charge.

- **General Manager:** In 2011, the General Manager charged 15% to Energy Center Paxton and 25% to Harrisburg Cooling based on allocation of responsibility. This function has now been regionalized, with a resulting monthly decrease of \$2,925 to Energy Center Paxton and \$4,875 to Harrisburg Cooling for a total of \$7,800 in 2011, and approximately \$10,530 escalated to 2025.
- **Controller:** In 2011, the Controller charged 15% to Energy Center Paxton and 25% to Harrisburg Cooling based on estimated time dedicated to each affiliate. This function has been replaced by a Senior Accountant with an estimated time allocation of 10% to Energy Center Paxton and 15% to Harrisburg Cooling. The monthly decrease from eliminating the Controller's allocation is \$2,344 to Energy Center Paxton and \$3,906 to Harrisburg Cooling for a total of \$6,250 in 2011, and approximately \$8,438 escalated to 2025. The new charge for the Senior Accountant, which is factored into the updated monthly charge, is \$1,356 to Energy Center Paxton and \$2,034 to Harrisburg Cooling for a total of \$3,390, which is a decrease of approximately \$5,000 per month.
- **Plant Manager:** In 2011, the Plant Manager charged 15% to Energy Center Paxton and 25% to Harrisburg Cooling based on estimated time dedicated to each affiliate. Today, the Plant Manager estimates his time as 10% to Energy Center Paxton and 20% to Harrisburg Cooling. The monthly decrease from eliminating the 2011 Plant Manager's allocation is \$1,875 to Energy Center Paxton and \$3,125 to Harrisburg Cooling for a total of \$5,000 in 2011, and approximately \$6,750 escalated to 2025. The new Plant Manager charge, which is factored into the updated monthly charge, is \$1,608 to Energy Center Paxton and \$3,216 to Harrisburg Cooling for a total of \$4,824, which is a decrease of approximately \$2,000 per month.
- **Maintenance Manager:** In 2011, the Maintenance Manager charged 10% to Energy Center Paxton and 25% to Harrisburg Cooling based on estimated time dedicated to each affiliate. Today, the Maintenance Manager estimates his time as 10% to Energy Center Paxton and 20% to Harrisburg Cooling. The monthly decrease from eliminating the 2011 Maintenance Manager's allocation is \$875 to Energy Center Paxton and \$2,188 to Harrisburg Cooling for a total of \$3,063 in 2011, and approximately \$4,135 escalated to 2025. The new Maintenance Manager charge, which is factored into the updated monthly charge, is \$1,392 to Energy Center Paxton and \$2,784 to Harrisburg Cooling for a total of \$4,176, which is approximately the same.
- **Plant Engineer:** In 2011, the Plant Engineer charged 10% to Energy Center Paxton and 25% to Harrisburg Cooling based on estimated time dedicated to each affiliate. This function has now been regionalized, so the monthly decrease is \$875 to Energy Center Paxton and \$2,188 to Harrisburg Cooling for a total of \$3,063 in 2011, and approximately \$4,135 escalated to 2025.

- **Accountant:** In 2011, the Accountant charged 15% to Energy Center Paxton and 25% to Harrisburg Cooling based on estimated time dedicated to each affiliate. Today, she estimates her time as 10% to Energy Center Paxton and 15% to Harrisburg Cooling. Her allocation cost in 2011 was \$750 to Energy Center Paxton and \$1,250 to Harrisburg Cooling for a total of \$2,000 in 2011, and approximately \$2,700 escalated to 2025. Her current allocation charge estimate, which is factored into the updated monthly charge, is \$840 to Energy Center Paxton and \$1,260 to Harrisburg Cooling for a total of \$2,100, which is a decrease of \$600 per month.
- **Plant Secretary:** In 2011, the Plant Secretary charged 10% to Energy Center Paxton and 25% to Harrisburg Cooling based on estimated time dedicated to each affiliate. Today, the Plant Secretary estimates her time as 5% to Energy Center Paxton and 5% to Harrisburg Cooling. The monthly decrease from eliminating the 2011 Plant Secretary's allocation is \$500 to Energy Center Paxton and \$1,250 to Harrisburg Cooling for a total of \$1,750 in 2011, and approximately \$2,360 escalated to 2025. The current Plant Secretary's charge, which is factored into the updated monthly charge, is \$360 to Energy Center Paxton and \$360 to Harrisburg Cooling for a total of \$720, which is a decrease of \$1,640 per month.
- **Plant Operators:** There are two operators on shift, and in 2011 the charge was 10% to Energy Center Paxton and 25% to Harrisburg Cooling. Today, the percent allocation is unchanged. Their monthly allocation cost in 2011 was \$5,913 to Energy Center Paxton and \$14,783 to Harrisburg Cooling for a total of \$20,700, and approximately \$28,000 escalated to 2025. The current operations allocation estimate, which is factored into the updated monthly charge, is \$8,640 to Energy Center Paxton and \$21,600 to Harrisburg Cooling for a total of \$30,240, which is an increase of approximately \$2,240 per month.
- **Plant Maintenance:** The maintenance staff includes mechanics, control technicians, and other service personnel. The maintenance allocation estimate in 2011 was 5% for Energy Center Paxton and 8% for Harrisburg Cooling. Today, the allocation estimate has increased to 10% for Energy Center Paxton and 15% for Harrisburg Cooling. Their monthly allocation cost in 2011 was \$262 to Energy Center Paxton and \$682 to Harrisburg Cooling for a total of \$944, and approximately \$1,275 escalated to 2025. The current maintenance allocation estimate, which is factored into the updated monthly charge, is \$960 to Energy Center Paxton and \$1,440 to Harrisburg Cooling for a total of \$2,400, which is an increase of \$1,100 per month.

Please note that inflated amounts were charged to Energy Center Paxton and Harrisburg Cooling due to an error that used the annual amount on a monthly basis. Therefore, the monthly allocation cost was \$3,150 for

Energy Center Paxton when it should have been \$262, and \$5,040 to Harrisburg Cooling when it should have been \$682. The current maintenance allocation estimates are accurate and appropriately reflected in the updated monthly charges in the Amendment to the Agreement. There was no harm to regulated ratepayers and Energy Center Paxton and Harrisburg Cooling are not seeking refunds for the overcharged amounts.

- **Miscellaneous Direct Charges:** A fixed monthly dollar allocation is estimated for items such as tools, facilities, and office equipment. In 2011, the charge was \$1,000 per month to Energy Center Paxton and Harrisburg Cooling for a total of \$2,000. Today, the charge, which is factored into the updated monthly charge, is \$750 per month for a total of \$1,500, which is a decrease of \$500 per month.

TUS-2. Explain all revenue and ratemaking implications that the Agreement may have.

RESPONSE: The decrease in the monthly charge by ECH to Energy Center Paxton will result in an increase to ECH's revenue requirement because less of the expenses will be recovered from Energy Center Paxton. The increase in revenue requirement is reflected in ECH's base rate filing at Docket No. R-2025-3055959. It should be noted however that ECH ratepayers have benefited from excessive payments by Energy Center Paxton since 2011 and Energy Center Paxton is not seeking to recoup those overpayments. It should also be noted that ECH has submitted a base rate filing that justifies an annual revenue increase of \$1,775,157 but has mitigated its claim to \$894,300 because of the competitive nature of its business and to limit rate case expense.

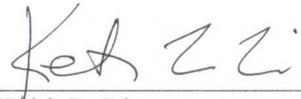
TUS-3. Please clarify whether the proposed Agreement will result in any additional costs to ECH that are not explicitly addressed or reimbursed under the terms of the Affiliated Interest Agreement (AIA). If such costs are anticipated, please identify them and explain how they will be treated for both accounting and ratemaking purposes.

RESPONSE: The new monthly charge by ECH to Energy Center Paxton will occur upon Commission approval of the affiliated interest agreement amendment. The new charge will take effect in the first full month following Commission approval. The proposed affiliated interest agreement amendment will not result in any additional costs to ECH. As explained in the response to TUS-1, the monthly charge reflected in the affiliated interest agreement amendment is a fair allocation of the actual expenses incurred by ECH for services provided by ECH to Energy Center Paxton.

VERIFICATION

I, Keith L. Li, hereby state that the facts set forth above 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).

Date: 8/20/2025



Keith L. Li
Consultant
Energy Center Harrisburg LLC