

COMMONWEALTH OF PENNSYLVANIA



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September 15, 2025

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
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 June
2025 Storm
Docket No. P-2025-3057123

Dear Secretary Homsher:

Attached for electronic filing, please find the Answer of the Office of Consumer Advocate to 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 June 2025 Storm in this proceeding.

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

Respectfully submitted,

/s/ Katherine Kennedy
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Certificate of Service

CERTIFICATE OF SERVICE

Petition of PECO Energy Company for :
Authority to Defer for Regulatory Accounting :
and Reporting Purposes Certain Losses from : Docket No. P-2025-3057123
Extraordinary Storm Damage Related to the :
June 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 Answer of the Office of Consumer Advocate to 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 June 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 15th day of September 2025.

SERVICE BY E-MAIL ONLY

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Dated: September 15, 2025

/s/ Katherine "Katie" Kennedy
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Counsel for:
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for	:	
Authority to Defer for Regulatory	:	Docket No. P-2025-3057123
Accounting and Reporting Purposes Certain	:	
Losses from Extraordinary Storm Damage	:	
Related to the June 2025 Storm	:	
	:	
	:	
	:	

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

On or about August 27, 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 June 2025 Storm. Petition at ¶ 3. According to the Company’s Petition, the storm in question struck PECO’s service territory on or about June 18, 2025 (June Storm). *Id.* The Petition provides that, as of July 31, 2025, the total incremental storm expense was \$36 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 March 31, 2025. 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 resulting in expenses totaling more than 5% of income can 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
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Counsel for:
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