

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Leonardo Sanchez

v.

PECO Energy Company

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F-2022-3037286

INITIAL DECISION

Before
Katrina L. Dunderdale
Administrative Law Judge

INTRODUCTION

This decision dismisses the complaint requesting the Public Utility Commission find PECO Energy Company failed to record correctly the electric energy generated by Complainant’s solar panels and overcharged Complainant for electric service.

HISTORY OF THE PROCEEDING

On December 13, 2022, Leonardo Sanchez (Mr. Sanchez or Complainant) filed with the Pennsylvania Public Utility Commission (Commission) a formal complaint (Complaint) against PECO Energy Company (Respondent or PECO) alleging PECO failed to record correctly the electric energy generated by Complainant’s solar panels, underreported the amount of electric energy the solar panels added to the electric grid and then overcharged Complainant for electric service when it charged him for electric

service the service address did not use. Complainant asked the Commission to order PECO to stop under-reporting the output of the solar panels and start reporting the “rollover” amounts generated by the solar panels monthly that exceed consumption.

Complainant filed the Complaint after receiving an unfavorable decision from the Commission’s Bureau of Consumer Services (BCS) at Case Number 003864282 on November 30, 2022. This Complaint is a timely appeal from that decision. A timely BCS appeal is subject to *de novo* review. 52 Pa. Code § 56.173(a).

On January 6, 2023, Respondent filed an Answer generally denying the allegations in the Complaint. Respondent averred it provides electric service to Complainant’s wife, Veronica, at the service address as a residential solar customer. PECO further averred the solar panels do not generate enough energy to offset the actual consumption, which is why the electric account does not receive solar credits. PECO asserted it correctly billed for the electric service provided and the Complaint should be dismissed.

On January 24, 2023, the Office of Administrative Law Judge (OALJ) issued a Call-In Telephone Hearing Notice, which scheduled an initial hearing to be conducted on March 8, 2023, with Administrative Law Judge Conrad A. Johnson (ALJ Johnson). On the same date, ALJ Johnson issued a Prehearing Order which outlined various procedural matters.

On February 23, 2023, PECO filed a Motion for Continuance of Hearing Date (First Continuance Request). PECO averred Respondent and Complainant agreed to conduct an in-person high bill field visit at the service address on March 3, 2023. Accordingly, on March 6, 2023, ALJ Johnson issued the First Interim Order which granted the First Continuance Request.

On March 4, 2023, Complainant served Proposed Findings of Fact and Conclusions of Law on ALJ Johnson and Respondent.

On March 7, 2023, the OALJ issued a Cancelled/Rescheduled Initial Telephonic Hearing Notice, which cancelled the initial hearing scheduled for March 8, 2023, and rescheduled the initial hearing to April 11, 2023.

Also, on March 7, 2023, Predrag Filipovic, Esquire, filed a Notice of Appearance on behalf of Complainant.

On April 10, 2023, Complainant filed the First Motion for Continuance of Hearing Date of Leonardo Sanchez (Second Continuance Request) and averred his counsel had a previous speaking engagement scheduled for April 11, 2023. PECO did not object to the continuance request.

Accordingly, on April 11, 2023, the OALJ issued a Call-In Telephone Cancellation/Reschedule Hearing Notice, which cancelled the initial hearing scheduled for April 11, 2023, and rescheduled the initial hearing to April 25, 2023.

On April 25, 2023, ALJ Johnson convened the initial hearing as scheduled. Complainant appeared represented by Attorney Filipovic, who presented the testimony of Complainant and one witness, Aleksa Petrovic. Complainant offered nineteen (19) exhibits of which sixteen (16) were admitted. Respondent was represented by Khadijah Scott, Esquire. Attorney Scott presented the testimony of two witnesses (Brian Barr and Gina Engle) and offered one exhibit which was marked as PECO Exhibit 2¹. Due to time

¹ PECO Exhibit 2 was marked at the Initial Hearing on April 25, 2023, but the exhibit was not admitted into evidence until the Further Hearing on December 4, 2023.

constraints, the initial hearing was continued, by order of ALJ Johnson, during the presentation of Respondent's case.

The transcript of the hearing conducted on April 25, 2023, consisting of 136 pages, was received in the Commission's Secretary's Bureau on May 17, 2023.

On June 14, 2023, ALJ Johnson issued the Interim Order Closing the Hearing Record. However, on September 14, 2023, ALJ Johnson issued the Interim Order Reopening the Hearing Record for a Further Hearing (Reopen Order), noting the hearing record was not complete and the hearing record was closed inadvertently.

Thereafter, on September 14, 2023, the OALJ issued a Call-In Telephone Hearing Notice, which scheduled an initial hearing to be conducted on November 7, 2023.²

On November 15, 2023, the OALJ issued an Initial Call-In Telephonic Hearing Notice, which scheduled a hearing for December 4, 2023. Thereafter, on November 16, 2023, ALJ Johnson issued the Prehearing Order for Telephone Hearing, advising the parties about procedural matters in preparation for the further hearing on December 4, 2023.

On December 4, 2023, ALJ Johnson convened the further hearing as scheduled. Complainant appeared, represented by Attorney Filipovic, who did not present any new witnesses but did recall Complainant to testify on redirect examination. Complainant offered four (4) exhibits which were marked and admitted. Respondent was

² The Corrected Further Telephonic Hearing Notice was issued on September 15, 2023, which clarified the hearing on November 7, 2023, was a further hearing, not an initial hearing.

represented by Khadijah Scott, Esquire. Attorney Scott presented the testimony of four witnesses (Ramona Milburn, Brian Barr, Andrew Leake and Robert Black) and offered two exhibits (Exhibits 2 and 4) which were marked and admitted.

Before the conclusion of the further hearing, ALJ Johnson ordered each party to file a memorandum of law containing procedural history, the party's position and reasons to prevail in the proceeding, proposed findings of fact and proposed conclusions of law. ALJ Johnson specified the parties were to address the issue of whether Complainant was given credit for the distribution, generation and transmission produced by Complainant's solar panels. Further, ALJ Johnson ordered Complainant to specify in the memorandum the amount of kilowatts he alleges Respondent should give credit and the amount of the refund he seeks. ALJ Johnson reminded the parties that the statute of limitations proscribes Complainant's Complaint can only concern events arising within four (4) years of the date Complainant filed his initial informal complaint. ALJ Johnson required the parties to file the memoranda on or before March 1, 2024.

The transcript of the hearing conducted on December 4, 2023, consisting of pages 137 through 236, was received in the Commission's Secretary's Bureau on December 21, 2023.

On March 1, 2024, PECO filed its Memorandum of Law. On March 1, 2024, Complainant mailed its Memorandum of Law³ plus three attachments (marked as Exhibits A, B and C).⁴

On March 21, 2025, the OALJ issued the Judge Change – Assignment Notice changing the presiding officer from ALJ Johnson to Administrative Law Judge Katrina L. Dunderdale (ALJ Dunderdale). On January 6, 2026, the presiding officer issued the Interim Order Closing the Hearing Record. The proceeding is ready for disposition.

FINDINGS OF FACT

1. Complainant, Leonardo Sanchez, lives at 109 Crump Road, Exton, Pennsylvania (service address), where he has received electric distribution service from PECO Energy Company since 2012. (Tr. 22, 88).

2. Respondent, PECO Energy Company, provides electric service to the service address and receives generation supply from the solar panels at the service address. (Tr. 88).

³ The Memorandum was mailed on March 1, 2024, and received in the Commission's Secretary's Bureau on March 4, 2024.

⁴ The attachments marked Exhibits A, B and C, consisted of the Pennsylvania Superior Court's Memorandum decision in *Hatchigian v. PECO/Exelon and Municipal Inspection Corp.*, No 142 EDA 2018 (Pa. Super. Aug. 6, 2019); Official Transcript dated April 25, 2023, before ALJ Conrad A. Johnson; Official Transcript dated Dec. 4, 2023, before ALJ Conrad A. Johnson, respectively. The attachments provided to the presiding officer in the Memorandum included only the exhibits offered by Complainant, but the attachments on the Commission's electronic docket consist only of the transcript pages.

3. Starting in 2013, Complainant and his family arranged to lease seven (7) solar panels, measuring approximately 40 inches by 80 inches. (Tr. 21, 22, 42, 77, 83).

4. The solar panels were installed on the roof and have unobstructed access to sunlight. (Tr. 21, 22, 42, 77, 83).

5. Tesla, the current lessor of the solar panels, provided an accounting to Respondent every month that included the number of kilowatts produced by the solar panels. (Tr. 22-26, 86; Sanchez Exhibits LS-0020 through LS-0027).

6. Starting in 2018, Complainant became concerned when the amount of the kilowatt production listed on monthly statements from Tesla differed from the amount of kilowatt production listed on PECO's corresponding billing statements. (Tr. 21-30, 84; Sanchez Exhibits LS-0032 through LS-0034).

7. Complainant made numerous telephone calls to PECO to discuss why PECO's monthly bills listed a credit due to Complainant that differed from the excess generation reported by Tesla's meter. (Tr. 40).

8. An electrical contractor, Aleksa Petrovic (Mr. Petrovic), visited the service address on April 15, 2022, to inspect the residence, determine the daytime consumption at the service address in the summer or the winter, visually verify the kilowatt production at the service address over the period of one hour and visually inspect the three (3) electric meters and the electric panel. (Tr. 45, 52-59).

9. Two electric meters are located outside the garage at the service address: Meter #1 and Meter #2. (Tr. 47, 50, 62).

10. Meter #1 measures the electric consumption coming in from the electric grid through PECO's distribution system, which is used at the service address when the sun has set, when the solar panels do not produce electricity and/or when the service address consumes more electricity than is produced contemporaneously by the solar panels. (Tr. 47-52).

11. Meter #2 measures the extra kilowatt hour production going from the solar panels into the electric grid. (Tr. 47-52, 54).

12. A third meter (Meter #3), a Tesla meter, is located inside the garage at the service address and measures the total kilowatt hour production of the solar panels. (Tr. 47, 50, 54; Sanchez Exhibit LS0059).

13. In July 2022, Complainant paid Respondent for electric service. (Tr. 78; Sanchez Exhibit LS0002).

14. In July 2022, Meter #3 recorded 895 kilowatt hour production from the solar panels, Respondent claimed it received 360 kilowatt production from the solar panels and Meter #1 recorded 705 kilowatt hour consumption at the service address. (Tr. 78-79; Sanchez Exhibit LS0002).

15. In July 2022, Complainant paid Respondent for 345 kilowatt hours of electric service. (Tr. 78-79; Sanchez Exhibit LS0002).

16. In August 2022, Meter #3 recorded 846 kilowatt production from the solar panels and PECO stated Meter #1 recorded only 346 kilowatt production entering the grid. (Tr. 78-80; Sanchez Exhibit LS0002).

17. The difference in the retail rate between 846 kilowatts and 346 kilowatts is \$500 approximately. (Tr. 80).

18. Every month PECO can generate four different charges on Complainant's bill: customer charge; distribution charge; generation charge and transmission charges. (Tr. 81; Sanchez Exhibit LS0019).

19. When Complainant's solar panels add kilowatt hour production into the electric grid, PECO pays Complainant for the commodity but does not pay Complainant for any portion of the customer charge, distribution charge, generation charge or transmission charges. (Tr. 81-82).

20. The service address is a single-family, all-electric, two-story home with approximately 2,200 square feet of living space. (Tr. 86, 100, 101, 107).

21. The kilowatts produced by the Tesla solar panels are reported directly to Respondent. (Tr. 87).

22. Meter #1 will record kilowatt usage by the service address simultaneously with Meter #3's recording of kilowatt hours produced from the solar panels. (Tr. 92).

23. Since the solar panels were installed, there have been months when PECO's bill for electric consumption provided to Complainant was zero. (Tr. 103).

24. When the solar panel produces kilowatt hours of electric production, Meter #3 only communicates to PECO the net kilowatt hours of electric production not used at the service address at the time of production. (Tr. 117).

25. Respondent's bill should reflect the excess generation which is not used at the service address. (Tr. 118).

26. The production noted on Meter #3 will not match the production noted on Meter #2 because Meter #2 only reflects the excess kilowatt hours not used at the service address. (Tr. 118, 120).

27. On March 3, 2023, Respondent inspected Meter #1 and Meter #2. (Tr. 121).

28. For the service periods in June and July 2023, the solar panels produced more power than Complainant's household consumed. (Tr. 150).

29. During the same months, Complainant paid Respondent for certain charges including a customer charge (\$10.55) and a distribution system improvement charge (DSIC) (\$3.00) which are charges assessed to every customer. (Tr. 150-154).

30. Any excess kilowatts produced by the solar panels are not captured in a "battery" but are injected into the grid through Respondent's system and are "banked" for billing purposes. (Tr. 157-158).

31. When the excess kilowatts produced by the solar panels are injected into the grid, Respondent covers the distribution costs associated with that generation, while Complainant receives full credit, both distribution and supply, for the same excess. (Tr. 159-162).

32. Complainant received full compensation, both under distribution and generation, for the excess generation that was sent out to the electric grid. (Tr. 160-162).

33. The billable kilowatt hours PECO charged to Complainant were those hours remaining after Complainant's account received credit for the excess generation. (Tr. 163).

34. When a PECO customer has excess generation, that excess generation is "banked" and is not always applied in the same month in which it is generated and will be applied (to reduce a customer's bill) in subsequent months, as needed. (Tr. 162-164).

35. On March 3, 2023, PECO's witness produced a high bill report which noted the witness tested both Meter #1 and Meter #2 and did not observe any damage to either meter, which report showed both meters passed within normal parameters. (Tr. 205-209; PECO Exhibit 4).

DISCUSSION

Complainant alleged in the Complaint that PECO failed to properly credit his account for the total kilowatt production from the solar panels at the service address. (Tr. 74).

Burden of Proof

As the party seeking affirmative relief from the Commission, Complainant bears the burden of proving by substantial evidence they are entitled to the requested relief. 66 Pa.C.S. § 332(a). To satisfy this burden, Complainant must show Respondent utility is responsible or accountable for the problem described.⁵ Complainant must show

⁵ *Patterson v. Bell Tele. Co. of Pa.*, 72 Pa. P.U.C. 196 (1990); *Feinstein v. Philadelphia Suburban Water Co.*, 50 Pa. P.U.C. 300 (1976).

this fact to be true by a preponderance of the evidence, that is, by presenting evidence more convincing, by even the smallest amount, than that evidence presented by the other party.⁶ Additionally, any finding of fact necessary to support the Commission's adjudication must be based upon substantial evidence.⁷ Furthermore, more evidence is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established.⁸

Pursuant to the Pennsylvania Code, all relevant and material evidence may be admitted but will be excluded if repetitious or cumulative, or if its probative value is outweighed by a danger of unfair prejudice, confusion of the issues, or considerations of undue delay or waste of time.⁹

Party Positions

Complainant contends he wants Respondent to acknowledge him, acknowledge his concerns are legitimate, and compensate him for charging him for electric consumption when his solar panels produced the electricity his family needed. He argues he met the burden of proving PECO did not pay him for the kilowatt hours of production his solar panels injected into the system. He also contends he met the burden of proving PECO charged him for electric consumption he did not need. Complainant argues the Tesla meter reported clearly the solar panels at the service address produced more kilowatts than

⁶ *Lansberry, Inc. v. Pa. Pub. Util. Comm'n*, 578 A.2d 600 (Pa.Cmwlth. 1990); *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).

⁷ *Mill v. Pa. Pub. Util. Comm'n*, 447 A.2d 1100 (Pa. Cmwlth. 1982); *Edan Transportation Corp. v. Pa. Pub. Util. Comm'n*, 623 A.2d 6 (Pa. Cmwlth. 1993); 2 Pa.C.S. § 704.

⁸ *Norfolk & Western Railway. v. Pa. Pub. Util. Comm'n*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Compen. Bd. of Review*, 166 A.2d 96 (Pa. Super. 1960); *Murphy v. Dep't. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlth. 1984).

⁹ See "Admissibility of Evidence," 52 Pa. Code § 5.401.

PECO gave Complainant credit or compensation on PECO's monthly statements. (Tr. 24-36; Sanchez Exhibits LS-0020 through LS-0027, LS-0032 through LS-0034).

Respondent argues the Complaint should be dismissed because Complainant failed to meet the burden of proof. During the initial hearing on December 4, 2023, PECO provided examples of how it records the consumption/generation amounts and then bills Complainant.¹⁰ First, when a customer uses kilowatt hours during the billing cycle and solar panels generate kilowatt hours that are unused by the customer (called excess kilowatt hours or excess generation), the excess generation is pushed into the grid. Second, when the utility prepares the bill at the end of the billing cycle, the excess generation produced is subtracted from the kilowatt hours consumed by the customer in the current billing cycle.

Third, when there are banked kilowatt hours (excess generation that entered into PECO's grid but are not credited yet to the customer), those are subtracted from the kilowatt hours consumed by the customer. Fourth, when the result of the mathematical equation in Step 3 above produces the billable kilowatt hours charged to the customer for both distribution and supply, the use of banked excess generation is only applied in months when the customer needs the excess to reduce the amount paid for excess consumption.

PECO argues Complainant did not prove PECO violated any statute or regulation, and the Complaint should be dismissed.

¹⁰ Tr. 160-166.

Analysis and Disposition

The evidence Complainant provided was sufficient to shift the burden of production¹¹ over to Respondent to show what fact or facts would explain how the recorded consumption levels could increase so precipitously in one month and drop to historically low levels seven months later. The evidence provided by both parties included credible testimony from Complainant, Complainant's witness and the two utility witnesses. What both parties proved was: (1) Complainant's concerns are legitimate considering the differing numbers from the three meters when compared to Respondent's bills; (2) Respondent's witnesses and documents use differing and confusing terminology; (3) Complainant used differing and confusing terminology; (4) Respondent correctly billed Complainant, giving him credit for the excess generation produced by the solar panels; and (5) Complainant had an unreasonable expectation that he would receive monetary compensation for the excess generation versus credit on his account.

Complainant's home frequently, though not always, consumed more electricity in a month than was produced by the solar panels. In those months, Respondent proved it handled the excess generation and the excess consumption correctly, billed Complainant correctly and banked excess generation to be used in future billing cycles so Complainant's future bills would be reduced. It must be noted, however, that this case involved confusing information, made worse by inconsistent use

¹¹ *Se-Ling Hosiery, Inc. v. Margulies*, 70 A.2d 854 (Pa. 1950). If a complainant establishes a *prima facie* case, the burden of going forward with the evidence shifts to the utility. If a utility does not rebut that evidence, a complainant will prevail. If the utility rebuts complainant's evidence, the burden of going forward with the evidence shifts back to a complainant, who must rebut the utility's evidence by a preponderance of the evidence. The burden of going forward with the evidence may shift from one party to another, but the burden of proof never shifts; it always remains on a complainant. *Replogle v. Pa. Electric Co.*, 54 Pa. P.U.C. 528 (1980).

of terminology by both parties and a failure to correctly testify to specific dates, kilowatt hours and dollar amounts.

It is abundantly clear to the presiding officer why Complainant has questioned Respondent's handling of the excess generation from the solar panels and how it handled the credits to the service account. The testimonies from Respondent's witnesses, in particular, were accepted as credible but included inconsistent terminology and phraseology between witnesses and among the same witnesses. All witnesses provided testimonies lacking in specificity, making it difficult to reach a final disposition in this proceeding.

Respondent provided customer service that was adequate but confusing. Testimonies, explanations and attempts at explanations by both parties during the hearing were compounded by differing use of terminology and phraseology, including references to "flow through" (Tr. 180), "registration off the PECO in meter" (Tr. 181); PECO does not have "line of sight" (Tr. 182), etc. These are terms and phrases the presiding officer has not seen in prior proceedings. These terms and phrases were made primarily by Respondent's witnesses and in Respondent's documents, but Complainant's evidence likewise contained these confusing terms. This confusion made ascertaining which party should prevail difficult. However, despite the confusion, the evidence presented by both parties made the resolution sufficiently clear in this proceeding, and the final resolution rested on a determination of the burden of proof.

Respondent handled the billing and crediting of Complainant's account consistent with the law and regulations, and the Complaint should be dismissed for failing to meet the burden of proof. The undersigned concludes, based upon the totality of factual evidence chronicled in the Findings of Fact, that Mr. Sanchez's Complaint that he was overcharged for electric service and was not correctly compensated for solar

power energy supplied to the electric grid should be dismissed in the Ordering Paragraphs that follow.

CONCLUSIONS OF LAW

1. This Commission has jurisdiction over the parties to and subject matter of this case. 66 Pa.C.S. § 701.
2. Complainant has the burden of proving Respondent issued incorrect billing statements. 66 Pa.C.S. § 332(a).
3. Complainant failed to prove Respondent did not charge correctly Complainant for electric service. 66 Pa.C.S. § 332(a).
4. Complainant failed to prove Respondent did not record correctly the electric energy generated by Complainant's solar panels. 66 Pa.C.S. §§ 332(a), 1501.

ORDER

THEREFORE,

IT IS ORDERED:

1. That the Formal Complaint filed by Leonardo Sanchez against PECO Energy Company at Docket No. F-2022-3037286 is dismissed.

2. That the Secretary mark this docket closed.

Date: April 3, 2026

/s/

Katrina L. Dunderdale
Administrative Law Judge