

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

June 15, 2026

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 – 1307(f)

Docket No. R-2026-3062148

Dear Secretary Homsher:

Attached for electronic filing, please find the Office of Consumer Advocate's Prehearing Memorandum in this proceeding.

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

Respectfully submitted,

/s/ Johnathan M. Longhurst
Johnathan M. Longhurst, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 338157
Email: JLonghurst@paoca.org

Enclosures

cc: Administrative Law Judge F. Joseph Brady
(Via his Legal Assistant Pam McNeal, pmcneal@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2026-3062148
 :
 PECO Energy Company – 1307(f) :
 :

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 Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 15th day of June, 2026.

SERVICE BY E-MAIL ONLY

Michael A. Podskoch, Esq.
Commonwealth Keystone Building
400 North Street, 2nd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265
mpodskoch@pa.gov
Counsel for I&E

Rebecca Lyttle, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
relyttle@pa.gov
Counsel for OSBA

Kruti B. Patel, Esq.
Shane Simon, Esq.
Saul Ewing
1735 Market Street, Suite 3400
Philadelphia, PA 19103
kruti.patel@saul.com
shane.simon@saul.com
Counsel for PECO

Charis Mincavage, Esq.
Adeolu A. Bakare, Esq.
Victoria A. Geddis, Esq.
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17101
cmincavage@mcneeslaw.com
abakare@mcneeslaw.com
vgeddis@mcneeslaw.com
Counsel for PAIEUG

Anthony Gay, Esq.
PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
Anthony.gay@exeloncorp.com
Counsel for PECO

Counsel for:
Darryl A. Lawrence
Consumer Advocate

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

Dated: June 15, 2026

/s/ Johnathan M. Longhurst
Johnathan M. Longhurst, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 338157
Email: JLonghurst@paoca.org

Harrison W. Breitman, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 320580
Email: HBreitman@paoca.org
Email: OCA1307External@paoca.org

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

| | | |
|--|---|----------------------------|
| Pennsylvania Public Utility Commission | : | |
| | : | Docket Nos. R-2026-3062148 |
| v. | : | C-2026-3062404 |
| | : | |
| PECO Energy Company | : | |
| | : | |

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code¹, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) submits this prehearing conference memorandum

I. HISTORY OF THE PROCEEDING

On April 30, 2026, PECO Energy Company (PECO or the Company) submitted its purchased gas cost (PGC) pre-filing pursuant to 52 Pa. Code Sections 53.64, 53.65. On May 28, 2026, PECO submitted its definitive filing pursuant to Section 1307(f) of the Public Utility Code.² On May 6, 2026, the Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance. On May 8, 2026, the Office of Consumer Advocate (OCA) filed a Formal Complaint, a Public Statement, and a Notice of Appearance. Also on May 8, 2026, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance. On May 27, 2026, Philadelphia Area Industrial Energy Users Group (PAIEUG) filed a Petition to Intervene.

The Commission assigned the proceeding to the Office of Administrative Law Judge (OALJ) and thereafter to Administrative Law Judge (ALJ) F. Joseph Brady. On June 2, 2026, the

¹ 66 Pa. C.S. § 333.

² 66 Pa. C.S. § 1307(f).

OALJ issued a Notice scheduling a Call-In Telephonic Prehearing Conference for June 16, 2026. On June 4, 2026, ALJ Brady issued a Prehearing Conference Order setting forth the parties' obligations with respect to the Prehearing Conference and directing the parties to prepare and distribute prehearing memoranda by June 15, 2026.

The OCA has filed two sets of discovery to date and anticipates additional discovery will be required. As soon as the OCA has completed its review of the Company's filing and interrogatory responses, it is expected that informal discovery meetings may be scheduled. At those meetings, the OCA will be able to narrow the scope of additional information requests. After the discovery process has concluded, the OCA will file its Direct Testimony, which will set forth the specific issues to be addressed in this proceeding. At that time, the OCA will also be able to make and to quantify specific recommendations.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of PECO's filing, the OCA has compiled a list of issues that it anticipates will be included in its investigation of the Company's proposed rate changes. It is anticipated that the OCA will identify additional issues upon further review of PECO's filing, and that other issues may arise and may be pursued after the answers to all of the OCA's interrogatories have been received and analyzed.

The following sets forth a more specific identification of the issues that the OCA will investigate and may raise, in addition to those discussed above:

- (1) Reasonableness and prudence of historic purchased gas costs, and assessment of compliance with Commission Orders in prior 1307(f) cases;
- (2) Reasonableness and accuracy of estimating gas costs during the interim and prospective periods;

(3) Reasonableness and prudence of the Company's gas supply mix, including purchases of Pennsylvania-sourced gas supplies;

(4) Technical issues pertaining to the gas cost recovery mechanism, including computation of quarterly adjustments to purchased gas costs, treatment of supplier refunds, provision of carrying costs associated with gas in storage, interest on gas over-collections, and proper computation of the E-Factor;

(5) Reasonableness and prudence of the Company's mix of demand entitlements and storage, to include an assessment of the reasonableness of the Company's estimate of design day requirements;

(6) Reasonableness and prudence of contracts with pipelines and suppliers, and in particular, long-term contracts that provide for special reservation charges, minimum take commitments or other fixed contract requirements;

(7) Reasonableness of the Company's allocation of purchased gas costs between customer classes and assessment of any unreasonable discrimination between customer classes;

(8) Reasonableness and prudence of the Company's use of capacity release, off-system sales and interruptible sales, and the crediting of such revenue to PGC ratepayers;

(9) Assessment of the value of any purchased gas cost incentive mechanism as components of a least cost fuel procurement policy;

(10) Reasonableness of the sales volumes projections; and,

(11) Reasonableness of the Company's compliance with the terms contained in the Settlement of PECO's 2025 1307(f) proceeding, docketed at Docket No. R-2025-3054868, *et al.*

The OCA reserves the right to raise additional issues as discovery proceeds and as discussions take place.

The OCA will examine each of these and all other changes proposed in the Company's filing to ascertain if it complies with the terms and policies of the Public Utility Code, the Natural Gas Choice and Competition Act, and sound ratemaking and cost allocation principles.

III. WITNESSES

The OCA intends to present the Direct, Rebuttal, and Surrebuttal Testimony, as may be necessary, of Jerome D. Mierzwa in this proceeding. To expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony and answers to interrogatories be e-mailed directly to OCA's counsel and Mr. Mierzwa at the following e-mail address: OCA1307Internal@paoca.org.

Mr. Mierzwa's additional contact information is as follows:

Jerome D. Mierzwa
Exeter Associates, Inc.
Suite 300
10480 Little Patuxent Parkway
Columbia, MD. 21044
Telephone: (410) 992-7500
Fax: (410) 992-3445

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, the Administrative Law Judge and all parties of record will be notified.

IV. SERVICE ON THE OCA

The OCA will be represented in this case by Senior Assistant Consumer Advocate Harrison W. Breitman and Assistant Consumer Advocate Johnathan Longhurst. The OCA only requires e-service at the following e-mail addresses:

Harrison W. Breitman
Johnathan Longhurst
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
E-mail: OCA1307Internal@paoca.org

Mr. Longhurst will serve as the lead attorney for speaking purposes at the Prehearing Conference. The OCA reserves the right to request paper copies if necessary. The OCA asks that the electronic service to the parties and ALJ Brady meet all service requirements so that paper copies are not required.

V. PUBLIC INPUT HEARINGS

At this time, the OCA is not aware of any Formal Complaints or letters in opposition to the Company's filing. If the OCA becomes aware of substantial public interest in a public input hearing, the OCA will promptly notify the ALJ and the parties and request that a public input hearing be scheduled.

VI. DISCOVERY

The OCA has issued two sets of interrogatories in this proceeding under the existing Commission regulatory timeframe. In order to effectively investigate and adequately develop a record on these issues, the OCA requests the following discovery modifications be approved for discovery from the date of this Prehearing Conference forward:

1. When an interrogatory, request for production, request for admission or motion is served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before

a holiday recognized by the Commission, the appropriate response period is deemed to start on the next business day.

2. The response period for replying to written interrogatories, requests for production and requests for admissions is eight (8) calendar days of receipt. Responses may be served electronically.
3. Objections to written interrogatories, requests for production and requests for admissions are to be communicated orally to the party serving the interrogatory within three (3) calendar days of receipt and in writing within five (5) calendar days of receipt. The parties are directed to confer, by telephone or e-mail, and attempt to resolve the objections.
4. Motions to dismiss objections and to compel responses shall be filed with the Commission and served on the Administrative Law Judge and the other parties within three (3) calendar days of receipt of the written objections. Answers to such motions shall be filed and served within three (3) calendar days after filing of the motion.
5. If the objections are not resolved, counsel will alert the presiding officer by e-mail of the need for a ruling, and a conference call will be scheduled. The presiding officer will make a ruling over the telephone and not reduce it to writing unless requested to do so.
6. Interrogatories, requests for production and requests for admissions that are objected to but which are not made the subject of a motion to compel will be deemed withdrawn.
7. Requests for admission shall be deemed admitted unless objected to within five (5) calendar days of receipt or answered within ten (10) calendar days of receipt.
8. Discovery requests, motions to compel and responses are to be served electronically.
9. Any discovery-related pleading such as objections, motions or answers served after 1:30 PM on a Friday or the day before a holiday recognized by the Commission will be deemed to have been served on the following business day for purposes of tracking due dates.
10. After rebuttal testimony is served, the foregoing deadlines should be reduced as follows:
 - A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) business days of service of the interrogatories or requests for production.
 - B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) business days of service; unresolved objections shall be served on the propounding party in writing within three (3) business days of service of the interrogatories and/or requests for production.

- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (2) business days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (2) business days of service of such motions.
- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) business days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VII. PROCEDURAL SCHEDULE

The OCA proposes the following agreed upon procedural schedule:

| <u>Date</u> | <u>Event</u> |
|---|---|
| Wednesday, July 8, 2026 | Written Direct Testimony of All Non-Company Parties |
| Wednesday, July 15, 2026 | Written Rebuttal Testimony of Company |
| Monday, July 20, 2026 | Written Surrebuttal Testimony of All Parties |
| Monday, July 22, 2026 | Company’s Oral Rejoinder |
| Wednesday, July 22, 2026, & Thursday July 23, 2026 | Evidentiary Hearings |
| Friday, July 31, 2026 | Main Briefs Due |
| Friday, August 7, 2026 | Reply Briefs Due |

The OCA requests that the dates included in the schedule be considered “in-hand” dates and that electronic service on the due date will satisfy the “in-hand” requirement.

VIII. SETTLEMENT

The OCA will participate in settlement discussions with the parties.

Respectfully Submitted,

/s/ Johnathan Longhurst

Johnathan Longhurst
Assistant Consumer Advocate
PA Attorney I.D. # 338157

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

Harrison W. Breitman
Senior Assistant Consumer Advocate
PA Attorney I.D. #320580
OCA1307Internal@paoca.org

Dated: June 15, 2026

Counsel for:
Darryl A. Lawrence
Consumer Advocate