


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 13, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission
v.
PECO Energy Company – Electric Division
Docket No. R-2021-3024601

Dear Secretary Chiavetta:

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

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci
Laura J. Antinucci
Assistant Consumer Advocate
PA Attorney I.D. # 327217
E-Mail: LAntinucci@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only**)
Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Bureau of Technical Utility Services (**email only**)
Certificate of Service

*306357

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket No. R-2021-3024601
PECO Energy Company – Electric Division :

I hereby certify that I have this day 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 13th day of April 2021.

SERVICE BY E-MAIL ONLY

Carrie B. Wright, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Erin K. Fure, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17109-1923

Kenneth M. Kulak, Esquire
Catherine G. Vasudevan, Esquire
Brooke E. McGlinn, Esquire
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Philadelphia, PA 19103

Jack R. Garfinkle, Esquire
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PECO Energy Company
2301 Market Street
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Phone: (717) 783-5048
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Dated: April 13, 2021
*306362

Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Tanya J. McCloskey, Acting Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

2. UTILITY NAME (RESPONDENT)

PECO Energy Company – Electric Division
Docket No. R-2021-3024601

3. TYPE OF UTILITY

Electric

4. COMPLAINT

- A. On March 30, 2021, PECO Energy Company – Electric Division (PECO or the Company) filed Tariff Electric – Pa. P.U.C. No. 7 (“Tariff No. 7”) at Docket No. R-2021-3024601. The Company proposes to increase rates to produce additional overall revenues of \$246 million per year, or an approximate 7.0% increase on a total jurisdictional revenue basis. The Company proposes that the rate increase become effective on May 29, 2021.
- B. PECO is engaged in the business of furnishing electric service to approximately 1.6 million customers in all or portions of Bucks, Chester, Delaware, Montgomery, Philadelphia, and York Counties in Pennsylvania.
- C. Under the Company’s proposal, the total bill for a residential customer who uses 700 kWh per month would increase by \$9.68 from \$100.29 to \$109.97, or by approximately 9.65%.
- D. PECO has also proposed an increase in the monthly residential customer charge from \$9.99 to \$13.49.
- E. In its base rate filing, the Company utilizes a fully projected future test year (FPFTY) ending December 31, 2022.

- F. The increase is designed based upon approximately \$3.1 billion in actual and projected plant additions through the end of the FPFTY.
- G. PECO's proposed rate increase, if approved, would produce a 7.68% overall rate of return on its rate base, including a 10.95% return on common equity.
- H. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission (Commission), pursuant to Act 161 of the General Assembly, as amended, 71 P.S. §§ 309-1, *et seq.*
- I. A preliminary examination of PECO's filing indicates that the proposed increase 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.*
- J. The Acting Consumer Advocate avers that the proposed tariff changes and proposed rate design may be unjust, unreasonable, and unlawfully discriminatory in violation of the Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304, *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.
- K. The Acting Consumer Advocate 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. § 1301, *et seq.*, and applicable ratemaking principles.
- L. The Acting Consumer Advocate files this Formal Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether the Company's existing and proposed rates and all rate policy changes are unjust, unreasonable, unduly discriminatory, or otherwise unlawful.

5. RELIEF

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

- A. Suspend and investigate the operation of the proposed Tariff pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);
- B. Consolidate all complaints filed against the proposed Tariff;
- C. Hold full evidentiary hearings examining the reasonableness of the Company's current rates and its proposed increase in rates;

- D. After providing the public with adequate notice, hold remote or virtual public input hearings, in lieu of “in-person” public input hearings held in the Company’s service territory, as early as feasible, in order to provide customers with an opportunity to be heard on the record;
- E. Deny any increase in the Company’s rates that cannot be fully justified by the Company or that is unjust, unreasonable, unduly discriminatory, or otherwise inconsistent with the Public Utility Code, sound ratemaking principles, and public policy;
- F. Determine the justness and reasonableness of the Company’s current and proposed rates; and
- G. Grant such other relief that the Commission deems necessary.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, Acting 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/ Tanya J. McCloskey
Signature

04/13/2021
Date

7. LEGAL REPRESENTATION

Aron J. Beatty, Senior Assistant Consumer Advocate, PA Attorney I.D. # 86625
 Phillip D. Demanchick, Assistant Consumer Advocate, PA Attorney I.D. # 324761
 Christy M. Appleby, Assistant Consumer Advocate, PA Attorney I.D. # 85824
 Barrett C. Sheridan, Assistant Consumer Advocate, PA Attorney I.D. # 61138
 Laura J. Antinucci, Assistant Consumer Advocate, PA Attorney I.D. # 327217
 Luis M. Melendez, Assistant Consumer Advocate, PA Attorney I.D. # 329512

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

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 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 Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving the proposed rate increase requested by PECO Energy Company – Electric Division (PECO).

PECO is engaged in the business of furnishing electric service to approximately 1.6 million customers in all or portions of Bucks, Chester, Delaware, Montgomery, Philadelphia, and York Counties in Pennsylvania. On March 30, 2021, the Company filed for an overall increase in revenues of \$246 million per year, or approximately 7.0% over present revenues. PECO proposes that the rate increase become effective on May 29, 2021. Under PECO’s proposal, the total bill for a residential customer who uses 700 kWh per month would increase by \$9.68 from \$100.29 to \$109.97, or by approximately 9.65%. PECO’s proposed rate increase, if approved, would produce a 7.68% overall rate of return on its original cost rate base, including a 10.95% return on common equity.

The Acting Consumer Advocate will participate in this proceeding in order to determine whether the rate increase and other tariff changes proposed by PECO are just and reasonable based upon the information submitted by the Company in support of its claim. The Acting Consumer Advocate will represent the interests of PECO’s customers before the Commission and seek to ensure that customers are not charged rates that are unjust, unreasonable, unduly discriminatory, or otherwise inconsistent with the Public Utility Code, sound ratemaking principles, and public policy.