


COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 18, 2020

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 – Gas Division
1307(f) Proceeding
Docket No. R-2020-3019661

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/ Phillip D. Demanchick
Phillip D. Demanchick
Assistant Consumer Advocate
PA Attorney I.D. # 324761
E-Mail: PDemanchick@paoca.org

Enclosures:

cc: Office of Administrative Law Judge (**email only**)
Office of Special Assistants (**email only**)
Bureau of Technical Utility Services (**email only**)
Certificate of Service

*288167

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket No. R-2020-3019661
PECO Energy Company – Gas Division :
1307(f) Proceeding :

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 18th day of May 2020.

SERVICE BY E-MAIL ONLY

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

John R. Evans, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923

Richard G. Webster, Jr., VP
Brandon J. Pierce, Esquire
PECO Energy Company
2301 Market Street
Suite 15
Philadelphia, PA 19103

/s/ Phillip D. Demanchick
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Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: May 18, 2020
*288465

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

FORMAL COMPLAINT

1. COMPLAINANT

Tanya J. McCloskey, Acting Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Telephone - (717) 783-5048
Facsimile - (717) 783-7152

2. UTILITY NAME

PECO Energy Company, Docket No. R-2020-3019661

3. TYPE OF UTILITY

Gas

4. COMPLAINT

- A.** On April 30, 2020, pursuant to Sections 53.64 and 53.65 of the Pennsylvania Public Utility Commission's (Commission) Rules and Regulations, 52 Pa. Code §§ 53.64, 53.65, PECO Energy Company (PECO or Company) submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates.
- B.** The Company is scheduled to make its definitive rate filing with the Commission on or before June 1, 2020, pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f).
- C.** PECO provides natural gas service to residential customers in Bucks, Chester, Delaware, Lancaster, and Montgomery Counties.
- D.** The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to customers. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas

contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withheld or caused to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy. 66 Pa.C.S. § 1318(a)(1-4).

- E.** The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the Pennsylvania General Assembly, 71 P. S. §§ 309-1 *et seq*, as enacted July 9, 1976.
- F.** After initial review of PECO's pre-filing, the Acting Consumer Advocate files this Formal Complaint in order to ensure that the Company's proposed purchased gas cost rates are consistent with a least cost fuel procurement policy and do not result in rates and charges that are excessive, discriminatory or otherwise contrary to Commission regulations or policy.

5. RELIEF

The Acting Consumer Advocate respectfully requests that the Public Utility Commission:

- A.** Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f);
- B.** Hold public input hearings in PECO's service territory, if consumer interest arises;
- C.** Deny any rate or tariff changes which are not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, and as defined by other applicable ratemaking standards;
- D.** Deny any rate or tariff changes which result from costs which should be borne in whole or in part by interruptible sales customers or transportation customers; and
- E.** Grant any other relief deemed necessary.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, 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)

05/18/2020
(Date)

7. LEGAL REPRESENTATION

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Aron J. Beatty
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Counsel for:
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Acting Consumer Advocate

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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 Office of Consumer Advocate (OCA) to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the OCA determined to file a Formal Complaint and participate in proceedings before the Commission involving the purchased gas cost (PGC) rate proposed by PECO Energy Company (PECO or Company) at Docket No. R-2020-3019661.

On April 30, 2020, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, 52 Pa. Code §§ 53.64, 53.65, PECO submitted its pre-filing information in support of its annual reconciliation of PGC rates. The Company is scheduled to make its definitive rate filing with the Commission on or about June 1, 2020, pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f).

The OCA has filed this Formal Complaint with the Commission to ensure that each aspect of PECO's 2020 PGC filing is scrutinized and that the proposed PGC rate is consistent with a least cost fuel procurement policy. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. That section of the Public Utility Code also specifies that certain findings must be made before the costs are determined to be lawful. The OCA, therefore, will seek to ensure that only those purchased gas costs which comply with the requirements of the Public Utility Code will be paid by the Company's ratepayers. In addition, the OCA will also seek to ensure that the rates approved by the Commission are not unduly discriminatory or otherwise excessive.