

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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September 8, 2020

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

Re: Petition of PECO Energy Company for  
Approval of a Default Service Program for  
the Period of June 21, 2021 through May 31, 2025  
Docket No. P-2020-3019290

Dear Secretary Chiavetta:

Enclosed please find the Partial Settlement of Time of Use Cost Allocation in the above-referenced proceeding.

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

Respectfully submitted,

/s/ Aron J. Beatty  
Aron J. Beatty  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 86625  
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Enclosures:

cc: The Honorable Eranda Vero (**email only**)  
Certificate of Service

\*295650

CERTIFICATE OF SERVICE

Re: Petition of PECO Energy Company for Approval :  
of a Default Service Program for the Period of : Docket No. P-2020-3019290  
June 1, 2021 through May 31, 2025 :

I hereby certify that I have this day served a true copy of the following document, the Partial Settlement of Time of Use Cost Allocation, 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 8<sup>th</sup> day of September 2020.

**SERVICE BY E-MAIL ONLY**

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Dated: September 8, 2020  
\*295649

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY** :  
**COMPANY FOR APPROVAL OF ITS** :  
**DEFAULT SERVICE PROGRAM FOR** : **DOCKET NO. P-2020-3019290**  
**THE PERIOD FROM JUNE 1, 2021** :  
**THROUGH MAY 31, 2025** :

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**PARTIAL SETTLEMENT OF TIME OF USE COST ALLOCATION**

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**TO THE HONORABLE ERANDA VERO, ADMINISTRATIVE LAW JUDGE:**

The Office of Consumer Advocate (OCA) and the Office of Small Business Advocate (OSBA), by their respective counsel, submit this unopposed Partial Settlement of Time Of Use Cost Allocation (TOU Settlement) in the above-captioned proceeding and request that the Administrative Law Judge approve this TOU Settlement without modification. On August 13, 2020, a Joint Petition for Partial Settlement was filed with the Commission that reserved for briefing the allocation of the costs PECO Energy Company (PECO) incurs to implement new time-of-use (“TOU”) default service rate options. Upon further discussion, the OCA and OSBA were able to reach a compromise position regarding the allocation of TOU implementation costs.

In the August 13 Settlement, Paragraph 60 states that, “The issue of how the costs PECO incurs to implement its new TOU Rates should be allocated to the Residential and Small Commercial procurement classes is reserved for litigation.” In order to resolve this issue, the OCA and OSBA have reached the following unopposed compromise for the allocation of TOU implementation costs:

PECO will allocate 70% of the costs incurred to implement its new TOU default service rate options based on the total number of default service customers in the Residential and Small Commercial

procurement classes, and 30% of the costs on the number of default service kWh consumed by the Residential and Small Commercial procurement classes.

Neither PECO nor any other party in the proceeding has objections to the above language.

The TOU Settlement represents a compromise of the position of the OSBA, as presented in the testimony of Brian Kalcic, and the position of the OCA, as presented in the testimony of Steven Estomin. OSBA witness Kalcic testified that TOU implementation costs are more appropriately deemed customer- rather than kWh-related costs, and as such, should be allocated based on the number of customers in those classes that will have the TOU rate option. See, OSBA St. 1 at 7. In response, OCA witness Estomin testified that TOU implementation costs are incurred in order to facilitate residential and small commercial kWh being purchased under the TOU rate option and should be allocated on a kWh basis. See, OCA St. 1R at 14. The TOU Settlement reaches a compromise position between these two allocation proposals.

The OCA and OSBA submit that the above resolution of the TOU cost allocation issue is in the public interest as it represents a compromise between the two litigated positions. The TOU Settlement amicably resolves a contentious issue, and is consistent with Commission policies promoting negotiated settlements.

**WHEREFORE**, the OCA and OSBA respectfully request that Administrative Law Judge Vero issue a Recommended Decision and the Commission enter an Order approving the allocation of TOU implementation costs consistent with this TOU Settlement.

Respectfully submitted,

/s/ Aron J. Beatty

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/s/ Daniel G. Asmus

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Dated: September 8, 2020