



COMMONWEALTH OF PENNSYLVANIA

November 5, 2020

E-FILED

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 /
Docket No. R-2020-3018929**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding. I respectfully request that a copy of any documents filed in this case also be shared with our witness at the address below:

Robert D. Knecht
Industrial Economics, Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140
rdk@indecon.com

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

cc: Robert D. Knecht
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
: **v.** : **Docket No. R-2020-3018929**
: **PECO Energy Company – Gas Division** :

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to these proceedings. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in this matter as follows:

Steven C. Gray, Esq.
Senior Supervising
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
Forum Place 1st Floor
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@pa.gov

II. FILING BACKGROUND

On September 30, 2020, PECO Energy Company – Gas Division (“PECO” or the “Company”) filed Tariff Gas – Pa. P.U.C. No. 4 (“Tariff No. 4”) with the Commission. The rates set forth in Tariff No. 4, if approved by the Commission, would increase PECO’s annual

distribution revenue by approximately \$68.7 million.

The OSBA filed a Complaint on October 15, 2020.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA's case in this proceeding will be:

Robert D. Knecht
Industrial Economics, Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
rdk@indecon.com

The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by PECO, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- 1) Whether the Company's proposed class cost of service study reasonably reflects cost causation, past practice and Commission precedent;
- 2) Whether the Company's revenue allocation proposal reasonably reflects a proper class cost of service study, rate gradualism, credible competitive concerns and other established rate design principles;
- 3) Whether the Company's proposed rate design for the GC class is consistent with allocated costs and other established rate design principles;
- 4) Whether the Company has credibly demonstrated a need to retain the MV-F, MV-I and TCS rate classes under which very few customers take service;
- 5) Whether the Company's negotiated rate revenues credibly reflect current competitive

market conditions, customer bypass potential and/or other factors that can reasonably affect negotiated rates; and

6) Whether rates for interruptible customers (Rates IS and TS-I) reasonably reflect cost causation, the probability of interruption, and the benefits of that interruptibility to firm service customers.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement. At the time of this writing, hard copy delivery of documents to the OSBA is not possible. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are discussing a proposed procedural schedule.

Considering the Governor's restrictions on travel for offices under his jurisdiction, the OSBA respectfully requests that any in-person evidentiary hearings take place in Harrisburg.

VIII. PREHEARING CONFERENCE

Due to a scheduling conflict, Attorney Sharon Webb of the OSBA will be attending the Monday, November 9th prehearing conference. Attorney Webb will not otherwise be participating in this proceeding.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray, Esq.
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

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Dated: November 5, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
 :
 v. : **Docket No. R-2020-3018929**
 :
 PECO Energy Company – Gas Division :

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Christopher P. Pell
Administrative Law Judge
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DATE: November 5, 2020