



COMMONWEALTH OF PENNSYLVANIA

May 1, 2024

E-FILED

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

Re: Pennsylvania Public Utility Commission v. FirstEnergy Pennsylvania Electric Company / Docket No. R-2024-3047068

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.

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/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Enclosures

cc: Mark Ewen
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission : **Docket No. R-2024-3047068**
: **C-2024-3048411**
v. :
FirstEnergy Pennsylvania Electric Company :

**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”). To discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding.

Representing the OSBA in the above-referenced matter are Assistant Small Business Advocates Rebecca Lyttle and Sharon E. Webb.

Please address all correspondence in this matter as follows:

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II. FILING BACKGROUND

On April 2, 2024, FirstEnergy Pennsylvania Electric Company (“FE PA” or the “Company”) filed Supplement No. 3 to FE PA’s Tariff Electric- Pa. P.U.C. No. 1 (“Supplement No. 3”) seeking a general rate increase pursuant to 66 Pa.C.S. § 1308 of the Public Utility Code. Supplement No. 3 sets forth proposed rates designed to produce an increase in FE PA’s annual distribution revenue of approximately \$502 million across all “Rate Districts” based on data for a fully projected future test year ending December 31, 2025. On a Rate District basis, FE PA has proposed rates designed to increase annual distribution revenues as follows: Met-Ed - \$146 million, Penelec - \$132 million, Penn Power - \$55 million, and West Penn - \$169 million. Further, Supplement No. 3 contains non-substantive revisions to the language of certain Rules and Regulations, rate schedules and riders in the Company’s currently effective tariff.

The OSBA filed a Complaint on April 15, 2024.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

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

Mark Ewen
Industrial Economics, Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
mewen@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 the Company, 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 Company's small business customers is consistent with allocated costs and other established rate design principles;

4. Whether the Company, and related Predecessor Companies have reasonably complied with commitments contained in previously approved rate case settlements; and

5. Whether adjustments to the revenue schedule associated with the acquisition of Letterkenny Industrial Development Authority are appropriate.

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. 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.

The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

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.

Respectfully submitted,

/s/ Rebecca Lyttle

Rebecca Lyttle
Assistant Small Business Advocate
Attorney ID No. 201399

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: May 1, 2024

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FirstEnergy Pennsylvania Electric Company	:	

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 Katrina L. Dunderdale
Administrative Law Judge
Pennsylvania Public Utility Commission
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DATE: May 1, 2024

/s/ Rebecca Lyttle

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Attorney I.D. No. 201399