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Devin Ryan

dryan@postschell.com  
717-612-6052 Direct  
717-731-1985 Direct Fax  
File #: 202658

May 1, 2024

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265


**Re: Pennsylvania Public Utility Commission *et al.* v. FirstEnergy Pennsylvania Electric Company**  
**Docket Nos. R-2024-3047068, et al.**

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Dear Secretary Chiavetta:

Attached for filing is the Prehearing Conference Memorandum of FirstEnergy Pennsylvania Electric Company in the above referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DR/dmc  
Attachments

cc: The Honorable Katrina Dunderdale (*via email; w/attachments*)  
Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

### VIA E-MAIL

Scott B. Granger, Esquire  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265  
[sgranger@pa.gov](mailto:sgranger@pa.gov)

Darryl Lawrence, Esquire  
Harrison Breitman, Esquire  
Andrew Zerby, Esquire  
Emily Farren, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)  
[hbreitman@paoca.org](mailto:hbreitman@paoca.org)  
[azerby@paoca.org](mailto:azerby@paoca.org)  
[efarren@paoca.org](mailto:efarren@paoca.org)  
[OCAFirstEnergy2024@paoca.org](mailto:OCAFirstEnergy2024@paoca.org)

Sharon Webb, Esquire  
Rebecca Lyttle, Esquire  
Office of Small Business Advocate  
555 Walnut Street, 1<sup>st</sup> Floor  
Forum Place  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)  
[relyttle@pa.gov](mailto:relyttle@pa.gov)

Elizabeth R. Marx, Esquire  
Ria M. Pereira, Esquire  
John W. Sweet, Esquire  
Lauren N. Berman, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101-1414  
[pulp@pautilitylawproject.org](mailto:pulp@pautilitylawproject.org)  
*Counsel for Counsel for Coalition for  
Affordable Utility Services and Energy  
Efficiency in PA (CAUSE-PA)*

Thomas Sniscak, Esquire  
Whitney Snyder, Esquire  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
[tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)  
[wesnyder@hmslegal.com](mailto:wesnyder@hmslegal.com)  
*Counsel for the Pennsylvania State  
University*

Barry A. Naum, Esquire  
Steven W. Lee, Esquire  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Boulevard, Suite 101  
Mechanicsburg, PA 17050  
[bnaum@spilmanlaw.com](mailto:bnaum@spilmanlaw.com)  
[slee@spilmanlaw.com](mailto:slee@spilmanlaw.com)  
*Counsel for Industrial Energy Consumers of  
Pennsylvania (IECPA)*

Charis Mincavage, Esquire  
Susan Bruce, Esquire  
Kenneth R. Stark (I.D. No. 312945)  
Harrison Ryan Block (I.D. No. 334653)  
McNees Wallace & Nurick, LLC  
100 Pine Street, P.O. Box 1166  
Harrisburg, PA 17108  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)  
[sbruce@mcneeslaw.com](mailto:sbruce@mcneeslaw.com)  
[kstark@mcneeslaw.com](mailto:kstark@mcneeslaw.com)  
[rblock@mcneeslaw.com](mailto:rblock@mcneeslaw.com)  
*Counsel for Met-Ed Industrial Users Group,  
Penelec Industrial Customer Alliance, and  
West Penn Power Industrial Intervenors  
(MEIUG/PICA/WPPIUG)*

Brian T. Kadlubek, Esquire  
Pullman Center  
112 Hollywood Drive, Suite 101  
Butler, PA 16001  
[btkadlubek@lawgol.com](mailto:btkadlubek@lawgol.com)  
*IBEW Local 459*

Nicholas Enoch, Esquire *pro hac vice  
application forthcoming*  
Lubin & Enoch, PC  
349 North Fourth Avenue  
Phoenix, Arizona 85003  
[nick@lubinandenoch.com](mailto:nick@lubinandenoch.com)  
*IBEW Local 777*

Mark E. Belland, Esquire  
O'Brien, Belland & Bushinsky, LLC  
509 South Lenola Road, Building 6  
Moorestown, NJ 08057  
[mbelland@obblaw.com](mailto:mbelland@obblaw.com)  
*IBEW Local 777*

Date: May 1, 2024



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Devin T. Ryan

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,       :  
*et al.*   :  
   :  
                  v.                                 :  
   :  
FirstEnergy Pennsylvania Electric               :  
Company   :

Docket Nos. R-2024-3047068, *et al.*

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**PREHEARING CONFERENCE MEMORANDUM OF  
FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY**

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**TO ADMINISTRATIVE LAW JUDGE KATRINA L. DUNDERDALE:**

FirstEnergy Pennsylvania Electric Company (“FE PA” or the “Company”) hereby files this Prehearing Conference Memorandum in the above-captioned matter in accordance with the Prehearing Conference Order issued by Administrative Law Judge Katrina L. Dunderdale (the “ALJ”) on April 25, 2024, and states as follows:

**I. INTRODUCTION**

On April 2, 2024, FE PA filed with the Pennsylvania Public Utility Commission (“Commission”) its 2024 Base Rate Case Filing (“Filing”), which consisted of Supplement No. 3 to FE PA’s Tariff Electric – Pa. P.U.C. No. 1 (“Supplement No. 3”), responses to filing requirements and standard data requests, and supporting direct testimony and exhibits. In Supplement No. 3, FE PA is seeking a base rate increase, pursuant to 66 Pa.C.S. § 1308 of the Public Utility Code (“Code”), of approximately \$502 million annually across all “Rate Districts” based on data for a fully projected future test year ending December 31, 2025.<sup>1</sup> On a Rate District

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<sup>1</sup> On January 1, 2024, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively, the “Predecessor Companies”) merged into FE PA pursuant to the Commission’s Order at Docket Nos. A-2023-3038771, *et al* (“PA Consolidation”). As a result of the PA

basis, FE PA has proposed rates designed to increase annual distribution revenues as follows: Met-Ed Rate District - \$146 million, Penelec Rate District - \$132 million, Penn Power Rate District - \$55 million, and West Penn Rate District - \$169 million. Supplement No. 3 also contains non-substantive revisions to the language of certain Rules and Regulations, rate schedules and riders in the Company's currently effective tariff, as summarized in FE PA Exhibit MSK-2.

On April 9, 2024, the Commission's Bureau of Investigation and Enforcement ("I&E") filed a Notice of Appearance.

On April 10, 2024, FE PA was served with the Formal Complaint and Public Statement filed by the Office of Consumer Advocate ("OCA") at Docket No. C-2024-3048327.

On April 15, 2024, the Office of Small Business Advocate ("OSBA") entered its Notice of Appearance.

On April 16, 2024, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA") filed a Petition to Intervene and Answer.

On April 17, 2024, the OCA filed a Notice of Appearance.

On April 24, 2024, Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Interveners ("WPPII") filed a Joint Complaint.

On April 25, 2024, the ALJ issued a Prehearing Order that, *inter alia*, directed the parties to file Prehearing Conference Memoranda on or before 12:00 PM on May 1, 2024.

Also on April 25, 2024, the International Brotherhood of Electric Workers Local 459 ("IBEW 459") filed a Petition to Intervene. Further, the Commission entered an Order on April

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Consolidation, FE PA consists of the Met-Ed, Penelec, Penn Power, West Penn and Pennsylvania State University rate districts (individually a "Rate District" and in any combination the "Rate Districts"). FE PA is not proposing to consolidate and/or unify the base rate of any Rate Districts in this case.

25, 2024, instituting an investigation into the lawfulness, justness, and reasonableness of the rates, rules and regulations contained the proposed Supplement No. 3. The April 25, 2024 Order also suspended proposed Supplement No. 3 until January 1, 2025, unless otherwise directed by Order of the Commission, and assigned the case to the Commission's Office of Administrative Law Judge.

On April 30, 2024, Local Union 777 of the International Brotherhood of Electrical Workers, AFL-CIO ("IBEW Local 777") filed a Petition to Intervene.

## **II. SERVICE OF DOCUMENTS**

FE PA respectfully requests that the following attorneys be listed on the service list in this proceeding:

Tori L. Giesler, Esquire  
Darshana Singh, Esquire  
Angelina M. Umstead, Esquire  
First Energy Service Company  
76 South Main  
Akron, OH 44308  
Phone: 610-212-8331  
E-mail: [tgiesler@firstenergycorp.com](mailto:tgiesler@firstenergycorp.com)  
[singhd@firstenergycorp.com](mailto:singhd@firstenergycorp.com)  
[aumstead@firstenergycorp.com](mailto:aumstead@firstenergycorp.com)

David B. MacGregor, Esquire  
Garrett P. Lent, Esquire  
Nicholas A. Stobbe, Esquire  
Post & Schell, P.C.  
17 North Second Street  
12th Floor  
Harrisburg, PA 17101  
Phone: 717-612-6034  
Fax: 717-731-1985  
E-mail: [dmacgregor@postschell.com](mailto:dmacgregor@postschell.com)  
[glent@postschell.com](mailto:glent@postschell.com)  
[nstobbe@postschell.com](mailto:nstobbe@postschell.com)

Devin T. Ryan, Esquire  
Post & Schell, P.C.  
One Oxford Center

301 Grant Street, Suite 3010  
Pittsburgh, PA 15219  
Phone: 717-612-6054  
Fax: 717-731-1985  
E-mail: dryan@postschell.com

For the purposes of the Prehearing Conference, Mr. Ryan will be FE PA's primary attorney speaking on behalf of the Company.

FE PA's attorneys are authorized to accept service on behalf of the Company in this proceeding. FE PA requests that the Commission and all parties of record serve copies of all discovery requests and answers, correspondence, Commission Orders, and any other documents issued in this proceeding on its attorneys in Harrisburg and Pittsburgh, Pennsylvania, in electronic form only.

**III. WITNESSES AND ISSUES**

Below is a list of the witnesses and the areas of their testimony, which were included in FE PA's Filing. The subject matters listed below as further detailed in the Company's testimony represent as complete a statement of issues that FE PA can provide at this stage of the proceeding. Further definition of the issues will be developed during the course of the proceeding.

	<b>Witness</b>	<b>St. No.</b>	<b>Summary of Issues Addressed</b>
1.	Joanne M. Savage Director – Rates and Regulatory Affairs Department - Pennsylvania FirstEnergy Service Company 2800 Pottsville Pike Reading, PA 19605	1	Overview of Testimony; Reasons for Increase; Settlement Commitments; Refunds to Customers; and Verizon Complaint Impact on Rate Case.
2.	Wade Smith President, FirstEnergy Utilities FirstEnergy Service Company 76 South Main Street Akron, OH 44308	2	Operations Overview; and Capital and Operations & Maintenance Expenditures

<b>Witness</b>	<b>St. No.</b>	<b>Summary of Issues Addressed</b>
3. Patricia Larkin Analyst – Rates and Regulatory Affairs – Pennsylvania FirstEnergy Service Company 2800 Pottsville Pike Reading, PA 19605	3	Revenue Requirement and Ratemaking Adjustments; Storm Reserve; COVID-19 Regulatory Asset; Uncollectible Accounts Expense; Reporting Required Under 2016 Rate Settlement
4. Tracy Ashton Assistant Controller, Corporate FirstEnergy Corp. 76 South Main Street Akron, OH 44308	4	Pension/OPEB Expense; OPEB Accounting and Ratemaking Adjustments; Service Company Relationships, Charges and Allocations; Administrative and General Capitalization Changes and Customer Refunds
5. Gregory Gawlik Assistant Controller, Tax FirstEnergy Service Company. 76 South Main Street Akron, OH 44308	5	Income Tax Expense and Accumulated Deferred Income Tax; Significant Tax Law Changes
6. Mark Kehl Manager – Rates and Regulatory Affairs - Pennsylvania FirstEnergy Service Company. 2800 Pottsville Pike Reading, PA 19605	6	Energy Sales and Revenue Normalization; Non-substantive Tariff Amendments; Riders; Outdoor Area and Streetlighting Services; and Fees and Charges
7. Timothy Lyons Partner – ScottMadden, Inc. 3 Speen Street Suite 150 Framingham, MA 01701	7	Class Cost of Service; Rate Design; and Cash Working Capital
8. Mark A. Jones Vice President, Customer Engagement FirstEnergy Service Company. 76 South Main Street Akron, OH 44308	8	Customer Experience; Credit Card Fees; Low-Income Programs; Uncollectible Expense; Electric Vehicle Programs; and Settlement Commitments
9. John J. Spanos President, Gannett Fleming Valuation and Rate Consultants 2078 Senate Avenue	9	Depreciation



	<b>Witness</b>	<b>St. No.</b>	<b>Summary of Issues Addressed</b>
	Camp Hill, PA 17011		
10.	Dylan D'Ascendis Partner, ScottMadden, Inc. 3000 Atrium Way Suite 200 Mount Laurel, NJ, 08054	10	Return on Equity
11.	Bill Wang Assistant Treasurer FirstEnergy Service Company 76 South Main Street Akron, OH 44308	11	Capital Structure; Cost of Long-Term Deby; and Weighted Average Cost of Capital

The testimonies and exhibits fully support FE PA’s proposed rate increase as well as the design of rates to recover that increase from customers. FE PA reserves the right to present testimony on additional issues and subject matters that may arise during the course of the proceeding, including the testimony of additional witnesses if the Company deems necessary.

**IV. DISCOVERY**

To date, the Company has received multiple sets of interrogatories from the parties and has or is in the process of responding to them. FE PA also encourages the use of informal discovery processes as the proceeding progresses. The Company is not aware of any discovery issues and does not propose any special orders regarding discovery. FE PA understands that the OCA intends to propose certain discovery rules adjustments, which FE PA does not oppose.

**V. PROTECTION OF CONFIDENTIAL INFORMATION**

FE PA will submit a Motion for Protective Order for consideration by the ALJ. The Company will seek the concurrence of the other parties as to the form of the Protective Order before submitting the Motion.

**VI. LITIGATION SCHEDULE**

FE PA proposes the following schedule:

Intervenor Direct	June 25, 2024
Rebuttal	July 22, 2024
Surrebuttal	August 8, 2024
Outline Rejoinder	August 12, 2024
Hearings & Rejoinder	August 14 – 16, 2024
Main Briefs	September 4, 2024
Reply Briefs	September 13, 2024
End of Suspension	January 1, 2025

FE PA has consulted with the other parties about a proposed procedural schedule. At this point, the OCA, I&E, OSBA, CAUSE-PA, MEIUG, PICA, WPPII, IBEW 459, and IBEW Local 777 have indicated their agreement with the dates set forth above. Additionally, FE PA’s understanding is that other parties would support a request to move the Reply Brief due date to September 20, 2024, if that can be accommodated by the presiding ALJ and the Commission. If so, FE PA would support adjusting the Main Brief due date to September 6, 2024, and the Reply Brief due date to September 20, 2024.

The OCA has proposed the following locations for public input hearings:

The Inn at Reading  
1040 North Park Road  
Reading PA 19610

Ambassador Center  
7794 Peach Street  
Erie, PA 16509  
(afternoon and evening)

East Stroudsburg University  
Innovation Center  
562 Independence Road  
East Stroudsburg, PA 18301

Greensburg Garden & Civic Center  
951 Old Salem Road  
Greensburg, PA 15601

Days Inn  
240 South Pugh Street  
State College, PA 16801

Tanglewood Center  
10 Austin Avenue  
Lyndora, PA 16045

FE PA has no objections to the locations set forth above for the public input hearings. FE PA will work with the parties to develop mutually-agreeable dates and times for the public input hearings or, if needed, alternative locations.

**VII. SETTLEMENT DISCUSSIONS**

FE PA is available for settlement discussions with the other parties. The Company expects and is eager to undertake settlement negotiations at the earliest time available.

FE PA has been successful in the past in working with other parties to achieve settlements, and the Company is confident that these past working relationships will continue. As a result, FE PA does not perceive any need to include specific dates for settlement conferences in the procedural schedule.

Respectfully submitted,



Tori L. Giesler, Esquire  
Darshana Singh, Esquire  
Angelina M. Umstead, Esquire  
First Energy Service Company  
76 South Main  
Akron, OH 44308  
Phone: 610-212-8331  
E-mail: [tgiesler@firstenergycorp.com](mailto:tgiesler@firstenergycorp.com)  
[singhd@firstenergycorp.com](mailto:singhd@firstenergycorp.com)  
[aumstead@firstenergycorp.com](mailto:aumstead@firstenergycorp.com)

David B. MacGregor, Esquire  
Garrett P. Lent, Esquire  
Nicholas A. Stobbe, Esquire  
Post & Schell, P.C.  
17 North Second Street  
12th Floor  
Harrisburg, PA 17101  
Phone: 717-612-6034  
Fax: 717-731-1985  
E-mail: [dmacgregor@postschell.com](mailto:dmacgregor@postschell.com)  
[glent@postschell.com](mailto:glent@postschell.com)  
[nstobbe@postschell.com](mailto:nstobbe@postschell.com)

Devin T. Ryan, Esquire  
Post & Schell, P.C.  
One Oxford Center  
301 Grant Street, Suite 3010  
Pittsburgh, PA 15219  
Phone: 717-612-6054  
Fax: 717-731-1985  
E-mail: [dryan@postschell.com](mailto:dryan@postschell.com)

Date: May 1, 2024

Counsel for FirstEnergy Pennsylvania Electric  
Company