

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2016-2537349
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Metropolitan Edison Company	:	
	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2016-2537352
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Pennsylvania Electric Company	:	
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	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2016-2537355
	:	
Pennsylvania Power Company	:	
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	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2016-2537359
	:	
	:	
West Penn Power Company	:	
	:	

Prehearing Memorandum

On June 9, 2016, a Prehearing Conference Order was issued by the Honorable Mary D. Long, Administrative Law Judge. The Order set forth specifications to direct the course of litigation and ordered parties to provide information about certain aspects of the proceedings to be resolved at the Prehearing Conference, scheduled for June 17, 2016. In response, Clean Air Council (“CAC”), hereby files this Prehearing Conference Memorandum.

I. Background

On April 28, 2016, four of FirstEnergy Solutions' electrical distribution companies submitted rate filings (the "Four").

Metropolitan Edison Company ("Met-Ed") submitted a rate filing, Supplement No. 23 to its Tariff Electric PA P.U.C. No. 52 ("Supplement No. 23"), in which Met-Ed proposes to increase its retail distribution rates by approximately \$140.2 million. This would result in an average increase for residential customers of approximately 13.59% in distribution rates.

Pennsylvania Electric Company ("Penelec") submitted a rate filing, Supplement No. 23 to its Tariff Electric PA P.U.C. No. 81 ("Supplement No. 23"), in which Penelec proposes to increase its retail distribution rates by approximately \$158.8 million. This would result in an average increase for residential customers of approximately 17.1% in distribution rates.

Pennsylvania Power Company ("Penn Power") submitted a rate filing, Supplement No. 17 to its Tariff Electric PA P.U.C. No. 36 ("Supplement No. 17"), in which Penn Power proposes to increase its retail distribution rates by approximately \$42 million. This would result in an average increase for residential customers of approximately 14.2% in distribution rates.

West Penn Power Company ("West Penn") submitted a rate filing, Supplement No. 10 to its Tariff Electric PA P.U.C. No. 38 ("Supplement No. 10") and Supplement No. 15 to its Tariff Electric PA P.U.C. No. 40 ("Supplement No. 15"), in which West Penn proposes to increase its retail distribution rates by approximately \$98.2 million. This would result in an average increase for residential customers of approximately 9.64% in distribution rates.

FirstEnergy Solutions ("FirstEnergy" or the "Company"), parent company of the Four, claims that the four utilities need to raise rates in order to boost revenue by \$439 million. The Company, citing the effectiveness of Pennsylvania's Act 129, claimed that the primary reason

was Pennsylvania's "stringent energy efficiency mandates," and the resulting reduction in load. The Company has petitioned the Pennsylvania Utility Commission ("PUC" or the "Commission") to grant an effective date of June 27, 2016.

On June 9, 2016 the Commission entered an order, which instigated an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the proposed tariff filings. The Commission suspended the filings on June 27, 2016 until January 27, 2017. Clean Air Council filed its Petition to Intervene on May 31, 2016.

II. Issues to be Presented

Based upon its initial review of these proposals CAC has identified the following issues that have the potential to impact CAC members (all are rate payers in one or more of the Four's service territories):

- a. Financial impact on low- and moderate-income CAC members;
- b. Impact on CAC members who have considered, installed, or will plan to install renewable energy sources, including, but not limited to photovoltaic panels (solar);
- c. Impact on CAC members who have considered, installed, or will plan to install energy efficiency products or take any action to reduce energy consumption through practicing energy efficiency.

Clean Air Council reserves the right to raise other issues as those may arise.

III. Witnesses

Clean Air Council has not identified a witness that it may call, however, CAC reserves the right to call a witness, or witnesses.

IV. Proposed Schedule

Clean Air Council will work with all parties to establish a reasonable schedule.

V. Settlement

Clean Air Council will engage in settlement discussions with any and all parties in an attempt to resolve or narrow the issues in this proceeding.

VI. Public Input Hearings

Due to the potential impact on all affected rate payers, including CAC members, CAC suggests that at least eight (8) public hearings (two in each service territory) be held in order to allow the maximum input from affected rate payers. FirstEnergy's proposed rate increases have the potential to deeply impact low- and moderate-income members and those who intend to, or have taken steps to implement energy efficiency measures and/or have considered or installed renewable energy sources. The public's input in this proposal is extremely critical and should be considered by the Commission.

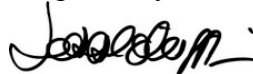
VII. Service on Clean Air Council

Electronic service only of all documents should be served on CAC as follows:

Joseph O. Minott, Esq.
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Logan Welde, Esq.
E-Mail: lwelde@cleanair.org
Telephone: 215-567-4004 - 126

WHEREFORE, Clean Air Council respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,



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Logan Welde, Esq., PA ID: 315012
135 S. 19th Street, Suite 300
Philadelphia, Pennsylvania 19103

June 16, 2016

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Clean Air Council's Petition to Intervene upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code § 1.54.

Via Email and/or First Class Mail

<p>The Honorable Mary D. Long Administrative Law Judge Pennsylvania Public Utility Commission Piatt Place Suite 220 301 5th Avenue Pittsburgh, PA 15222 malong@pa.gov</p>	<p>Tori L. Giesler, Esq. FirstEnergy Service Company 2800 Pottsville Pike Reading, PA 19612 tgiesler@firstenergycorp.com</p>
<p>Joline Price, Esq. Elizabeth R. Marx, Esq. Patrick M. Cicero, Esq. Pennsylvania Utility Law Project 118 Locust Street Harrisburg, PA 17101 pulp@palegalaid.net</p>	<p>Thomas P. Gadsen, Esq. Anthony C. DeCusatis, Esq. Brooke E. McGlinn, Esq. Catherine G. Vasudevan Morgan, Lewis & Bockius LLC 1701 Market Street Philadelphia, PA 19103 tgadsen@morganlewis.com adecusatis@morganlewis.com bmcglinn@morganlewis.com cvasudevan@morganlewis.com</p>
<p>Darryl A. Lawrence, Esq. Lauren M. Burge, Esq. David T. Evrad, Esq. Candis A. Tunilo, Esq. Office of Consumer Advocate 555 Walnut Street, 5th Floor Harrisburg, PA 17101-1923</p>	<p>George Jugovic Jr., Esq. Citizens for Pennsylvania's Future 200 First Avenue, Suite 200 Pittsburgh, PA 15222 jugovic@pennfuture.org</p>
<p>Charis Mincavage, Esq. McNees Wallace & Nurick 100 Pine Street PO Box 1166 Harrisburg, PA 17108 cmincavage@mwn.com</p>	<p>Daniel G. Asmus, Esq. Office of Small Business Advocate 300 North Second Street, Suite 202 Harrisburg, PA 17101 dasmus@pa.gov</p>

	<p>Jennedy S. Johnson, Prosecutor Bureau of Investigation & Enforcement Pa. Public Utility Commission 400 North Street Harrisburg, PA 17120 jennejohns@pa.gov</p>
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Ernest Logan Welde, Esquire