

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.,	:	
v.	:	Docket No. R-2016-2537349
Metropolitan Edison Company.	:	

Pennsylvania Public Utility Commission, et al.	:	
v.	:	Docket No. R-2016-2537352
Pennsylvania Electric Company	:	

Pennsylvania Public Utility Commission, et al.	:	
v.	:	Docket No. R-2016-2537355
Pennsylvania Power Company	:	

Pennsylvania Public Utility Commission, et al.,	:	
v.	:	Docket No. R-2016-2537359
West Penn Power Company.	:	

PREHEARING MEMORANDUM OF THE COALITION FOR AFFORDABLE UTILITY SERVICES AND ENERGY EFFICIENCY IN PENNSYLVANIA

PENNSYLVANIA UTILITY LAW PROJECT
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June 16, 2016

On June 9, 2016, a Prehearing Conference Order in the above captioned proceedings was issued by Administrative Law Judge Mary D. Long, setting a prehearing conference for Friday, June 17, 2016 at 10:00am, and requiring parties to file a Prehearing Memorandum no later than Thursday, June 16, 2016 at 12:00pm. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby files this Prehearing Conference Memorandum.

I. Background

On April 28, 2016, First Energy submitted rate filings proposing to increase both fixed and volumetric base rates for each of its four operating companies in Pennsylvania (collectively, “the Companies”), as follows:

Metropolitan Edison Company (“Met-Ed”) submitted a rate filing, Supplement No. 23 to its Tariff Electric PA PUC No. 52, which proposes to increase both fixed and volumetric base rates for residential customers. Met-Ed proposes to increase its customer charge from \$10.25 to \$17.42 and its base rate from \$0.03599 /kWh to \$0.04544 /kWh. According to the Companies’ calculations, this would increase the total bill for a residential Met-Ed customer who uses 1000 kWh per month from \$129.82 to \$147.34, an increase of 13.5%.

Pennsylvania Electric Company (“Penelec”) submitted a rate filing, Supplement No. 23 to its Tariff Electric PA PUC No. 81, which proposes to increase both fixed and volumetric base rates for residential customers. Penelec proposes to increase its customer charge from \$9.99 to \$17.10 and its base rate from \$0.04569 /kWh to \$0.0688 /kWh. According to the Companies’ calculations, this proposal would increase the total bill for a residential Penelec customer who uses 1000 kWh per month from \$137.89 to \$161.50, an increase of 17.2%.

Pennsylvania Power Company (“Penn Power”) submitted a rate filing, Supplement No. 17 to its Tariff Electric PA PUC No. 36, which proposes to increase both fixed and volumetric base rates for residential customers. Penn Power proposes to increase its customer charge from \$10.85 to \$13.41 and its base rate from \$0.03135 /kWh to \$0.0469 /kWh. According to the Companies’ calculations, this proposal would increase the total bill for a residential Penn Power customer who uses 1000 kWh per month from \$130.06 to \$148.51, an increase of 14.2%.

West Penn Power Company (“West Penn”) submitted a rate filing, Supplement No. 15 to its Tariff Electric PA PUC No. 40, which proposes to increase both fixed and volumetric base rates for residential customers. West Penn proposes to increase its customer charge from \$5.81 to \$13.98 and its base rate from \$0.02896 /kWh to \$0.03113 /kWh. According to the Companies’ calculations, this proposal would increase the total bill for a residential West Penn customer who uses 1000 kWh per month from \$112.99 to \$123.88, an increase of 9.6%.

On June 9, 2016, the Commission entered an order suspending each of the Companies’ tariffs by operation of law, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein. On June 14, 2016, CAUSE-PA filed a Petition to Intervene.

II. Issues to be Presented

In addition to complying with sound rate making principles, including the requirement that rates be just and reasonable, the First Energy Companies must also ensure that its rates and tariffs comply with universal service requirements. In turn, the Commission must ensure that universal service programs assist low-income customers to afford electric service, and that these programs are appropriately funded, promoted, and available in each electric distribution territory. See 66 Pa. C.S. § 2802 (10),(17); 66 Pa. C.S. § 2804 (9).

In the event that the Commission approves any electric rate increase, the Commission should condition approval on the Companies' agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and settlement agreements.

CAUSE-PA has conducted an initial review of the Companies' proposed tariff changes and testimony, and it opposes the requests on the grounds that the proposed rate increases and tariff changes may result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers. The following specific issues of concern must be addressed in this proceeding:

- i. The conformity to law and the effect of the Companies' rate filings and proposed rate increases on low income households; and,
- ii. The conformity to law, adequacy and effect of the Companies' rate filing and proposed rate increase on low income households enrolled in the Companies' current Universal Service Programs.

CAUSE-PA asserts that these matters must be thoroughly reviewed through discovery and a hearing in order to ensure that the Company's low-income customers are sufficiently protected from the harm caused by any rate increase and any rate increase is in the public interest. CAUSE-PA anticipates that additional issues may arise as a more comprehensive review of the Company's filing is undertaken, discovery is conducted, and other parties present evidence and testimony. CAUSE-PA reserves the right to present evidence on any of the other issues contained in Columbia's filing but not specifically identified above, as well as those issues raised by other parties.

III. Witnesses and Testimony

CAUSE-PA intends to present the following witness to testify in this matter:

Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
Mitchmiller77@hotmail.com

Mr. Miller will address the issues identified above and other issues that may arise in the course of this proceeding. CAUSE-PA reserves the right to call additional or substitute witnesses as may be warranted, upon proper notice to the Presiding Officer and the parties.

IV. Discovery

CAUSE-PA will work with the other parties to develop a reasonable proposed plan and schedule of discovery.

V. Proposed Schedule

CAUSE-PA will work with the other parties to come to a schedule which suits the needs of all parties and the Commission. CAUSE-PA supports the submission of the testimony of witnesses in writing in advance of the hearing.

VI. Public Input Hearings

CAUSE-PA does not oppose the scheduling of public input hearings, but is not presently requesting that any be scheduled.

VII. Settlement

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to resolve or narrow the issues in this proceeding, with any and all parties, and encourages the parties to engage in settlement early in the process.

VIII. Service on CAUSE-PA

Service on CAUSE-PA may be made on its attorneys at the Pennsylvania Utility Law Project, who consent to accept, by electronic delivery, all documents on the deadlines for their filing as follows:

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WHEREFORE, CAUSE-PA respectfully submits this Prehearing Conference Memorandum and requests that it be entered into the record of this proceeding.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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