|  |  |  |
| --- | --- | --- |
| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE** |

October 4, 2018

**Mr. Charles V. Fullem**

**Director, Rates & Regulatory Affairs - PA**

**FirstEnergy**

**2800 Pottsville Pike**

**Reading, PA 19605**

Re: Management Efficiency Investigation of Metropolitan Edison Company (D‑2017‑2626664), Pennsylvania Electric Company (D-2017-2626665), Pennsylvania Power Company (D-2017-2626666), and West Penn Power Company (D-2017-2626667)

Dear Mr. Fullem:

The Commission appreciates the cooperation extended to our staff by the management and employees of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively referred to as the FE-PA Companies) and their affiliates during the Management Efficiency Investigation (MEI). We seek your further cooperation in implementing the follow-up recommendations cited in the MEI report.

At its Public Meeting of October 4, 2018, the Commission acknowledged receipt of the FE-PA Companies’ September 17, 2018 Implementation Plan and released it, along with the Audit Staff’s MEI report, to the public. The Commission notes that the FE-PA Companies’ Implementation Plan indicates acceptance of 12 follow-up recommendations and partial acceptance of two follow-up recommendations. Receipt of the Implementation Plan does not constitute acceptance by the Commission of the actions already taken, those to be taken, or the explanations and analysis provided. The FE- PA Companies implementation actions, together with any explanations and cost/benefit analyses, may be reviewed by the Commission at a later date. This review would be made to determine if the FE-PA Companies have effectively implemented the follow-up recommendations.

Accordingly, the Commission directs the FE-PA Companies to proceed with the September 17, 2018 Implementation Plan and extend the reporting requirements under Appendix A of the Commission’s Order entered March 30, 2015 in Docket Nos.

D-2013-2365991, *et al.*, an additional three years or until October 1, 2021. The Commission’s direction to proceed with the Implementation Plan should not be construed as approval of the plan.

 Sincerely,

Rosemary Chiavetta

Secretary

Contact Person: John Clista

(717) 772-0317