

February 01, 2021

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17120

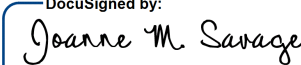
Re: Implementation Plan for the Focused Management and Operations Audit of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company Docket Nos. D-2017-2626664, D-2017-2626665, D-2017-2626666, D-2017-2626667

Dear Secretary Chiavetta:

This filing is made in connection with the Pennsylvania Public Utility Commission's ("PaPUC") October 4, 2018 Secretarial Letter for the Implementation Plan of the Focused Management Audit of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company. Enclosed is the annual Implementation Plan Progress Report.

If you have any questions regarding the enclosed documents, please contact me at (610) 921-6525.

Sincerely,

DocuSigned by:

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Joanne M. Savage
Director of Rates & Regulatory Affairs-PA

Enclosures

c: Kriss Brown, PaPUC Law Bureau
Rob Horensky, PaPUC Electric Safety Division
Brent Killian, PaPUC Electric Safety Division
Dan Mumford, PaPUC Bureau of Consumer Services
Dan Searfoorce, PaPUC Bureau of Technical Utility Services
George Dorow, PaPUC Bureau of Audits



**Metropolitan Edison Company,
Pennsylvania Electric Company
Pennsylvania Power Company
West Penn Power Company
("Companies")**

**IMPLEMENTATION PLAN PROGRESS
REPORT**

for the

**FOCUSED MANAGEMENT AND
OPERATIONS AUDITS**

February 1, 2021

**METROPOLITAN EDISON, COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY & WEST PENN POWER COMPANY
FOCUSED MANAGEMENT AND OPERATIONS AUDIT**

IMPLEMENTATION PLAN PROGRESS REPORT

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**FirstEnergy Pennsylvania Companies
Management Efficiency Investigation
Implementation Plan**

Follow-up Recommendation III-1

Review best practices throughout the FE-PA companies to ensure that all targets are met, establish metrics and targets and monitor performance related to shift work (if implemented), and ensure, at a minimum, targets are at a level that meets regulatory requirements.

Response

Accepted in part

Action

The Companies will evaluate and share any best practices throughout the FE-PA Companies to assist in meeting established targets and goals. However, applying best practices cannot ensure all targets and goals are met, since there are externalities that can affect performance. Also, based on responses to VII-2 and VII-3, shift work requirements will be reviewed periodically, and adjustments implemented as needed based on call-out frequency.

Performance metrics and targets are established and updated each year for the Companies. Some metrics are established to align with leading industry performance and to encourage active leadership and employee participation in related activities. Others are developed to align with regulatory requirements or internal initiatives. Targets are established to drive desired behaviors leading to achieving business objectives. However, there may be instances when the Companies fail to meet established targets, but that is never representative of a lack of emphasis or priority on continuous improvement.

In order to track these metrics and targets, the Companies utilize Executive Leadership Team Reports (“ELTRs”) to review performance on consistent metrics for the Companies and their affiliated distribution utilities operating outside of Pennsylvania. Those performance metrics specifically applicable to Pennsylvania are actively reviewed on a monthly basis during Pennsylvania leadership team meetings.

Safety Performance

Safety performance is tracked through metrics which include OSHA incidents, days away/restricted time incident rate and motor vehicle accident rate. Typically, the Pennsylvania Executive Leadership Team will meet and evaluate the prior month’s performance related to safety, identify any potential trends, safety programs, employee engagement initiatives or process improvements and lessons learned to share and minimize safety incidents with peer companies.

**FirstEnergy Pennsylvania Companies
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Implementation Plan**

Follow-up Recommendation III-1

Reliability Performance

In addition, ELTRs also monitor reliability performance by Company through tracking of metrics for System Average Interruption Frequency Index (“SAIFI”), Customer Average Interruption Duration Index (“CAIDI”) and System Average Interruption Duration Index (“SAIDI”). The Companies’ individual reliability reports specifically track year to date (“YTD”) and rolling twelve-month performance for these metrics. Monthly reviews address contributors to actual performance and opportunities identified to improve reliability performance. The Companies each submitted detailed plans intended to facilitate meeting their respective twelve-month and three-year performance standards. To support this effort, the Companies’ reliability ELTRs reflected incremental modifications to set goals for performance during the 2016 through 2018 period consistent with the projected improvement resulting from the execution of those plans. Going forward, the Companies will continue to execute these plans established to drive improvement in reliability performance. Additional details and associated actions on reliability are included in the response to VII-1.

The Companies also evaluate performance specific to the Pennsylvania companies through the Pennsylvania Management Reports (“PMRs”). The PMRs have been instituted to measure performance against various commitments and goals developed through the Pennsylvania Management Audit process. These reports are actively reviewed monthly during the Pennsylvania leadership team meetings. The following PMRs are tracked and reported monthly:

- Worst Performing Circuit (“WPC”) report
- Priority 3 (“P3”) Transmission Backlog Reduction report
- Damage Prevention Tracking report
- New Service Installation report
- Meter Reading Six and Twelve Month No-Read reports
- No-Read by Reason report
- Meters without a Meter Location report
- Residential Customer Disputes report
- YTD Service Level reports
- Callout Acceptance tracking by Union

Other Reliability

The WPC report provides a progress summary by Company on completion dates for projects identified in each Company’s WPC Plan. This report continues to be reviewed monthly to ensure each Company is meeting objectives necessary to complete the projects identified.

The P3 Transmission Repairs Backlog Reduction report summarizes, and tracks completed repairs on a monthly basis, against the targeted number of repairs identified to be completed during each year of the Companies’ five-year plan. Additional work identified and completed is included for each given year. Targets are established to match those identified in the Companies’ backlog reduction plan for years 2015 through 2019, and the report targets are modified to accommodate any plan acceleration that may occur.

**FirstEnergy Pennsylvania Companies
Management Efficiency Investigation
Implementation Plan**

Follow-up Recommendation III-1

Damage Prevention

Monthly metrics have been established for Damage Prevention. Dig-in damage prevention provides data tracking and analysis and measures third party underground line hit incidents by root cause. Damage claim reimbursements measures the dollars on claims closed each month, segregated by the amount recovered vs not-recovered, and also dig-ins invoiced in the past month.

The Companies will improve the existing Damage Prevention Program by evaluating the targets for the applicable metrics in the PMR to ensure they are set at levels that are achievable while driving accountability. In addition, the performance associated with these targets will be consistently monitored by the Pennsylvania leadership team through the PMRs.

Customer Service

The New Service Installation Report was developed to evaluate performance against a Company-established three-day new service standard for non-construction requests, and a ten-day new service standard for requests that require construction (not including primary line extensions). These metrics target performance levels of 99%¹ for non-construction orders and 90% for construction orders.

Four reports for meter reading performance will be reviewed on a monthly basis as part of the PMR:

- Meter Reading Six and Twelve Month No-Read reports monitor meter reading metrics for the Companies, identifying meters that have not been read in six and twelve months during the smart meters deployment process. As noted in the response to X-2, the target for the metric on meter reading six month no read will be revised in order to meet regulatory requirements.
- A No-Read by Reason report summarizes each Company's performance and causes for any missed reads. This visibility will ensure the Companies continue to focus on behaviors and process improvements that help them reduce all improper estimates through the smart meter deployment period.
- A Meters without a Meter Location report summarizes those meters without a designated meter location for active customers in order to monitor the Companies' progress towards identifying unknown meter locations.

The Residential Customer Disputes Report provides a monthly summary of YTD performance by Company of all residential disputes, indicating the category of the dispute **Follow-up**

¹ The metric target performance levels for non-construction orders was changed from 99% to 100% in June 2015.

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Recommendation III-1

and the number of disputes with a response of more than thirty days. Goals will be revised to target zero disputes taking more than thirty days per Company, per year, as per regulatory requirements.

The Companies' YTD Service Level report tracks year-to-date performance against the average speed of answer standard of 80% of calls to be answered in thirty seconds.

Operational Efficiency Reports

Callout Acceptance reporting has been in place for many years within the Companies. Initiatives have been identified to increase callout acceptance for those workers with low acceptance rates of emergency call outs.

The Companies continue to utilize the performance monitoring process described above to track their annual performance objectives, commitments and regulatory requirements.

February 1, 2019 Progress Report

Safety Performance

The Companies continue to utilize existing safety programs developed through the use of safety culture surveys, including: integration of human performance tools and concepts into day-to-day work process; performing safety incident and near miss investigations to identify the root cause; holding annual safety kickoff meeting as well as safety meetings throughout the year; recognizing and rewarding safe work practices, performance, and records through the President Award; and conducting local Labor/Management Safety Committee meetings.

Additionally, the Companies continue to explore new ways to increase performance in the five focus areas, such as the development of a new Key Performance Indicator for safety Life Changing Events and utilizing data from field assessments to develop performance improvement initiatives. See Recommendation XI-1.

Reliability Performance

The Companies continue to monitor reliability performance through tracking of SAIFI, CAIDI, and SAIDI metrics in addition to the Companies' detailed plans intended to facilitate meeting their respective twelve-month and three-year performance standards. Reliability performance goals are reviewed and modified consistent with the projected improvement resulting from the plans. Additionally, the Companies continue to evaluate performance through the PMRs on a monthly basis. See Recommendation VII-1.

Damage Prevention

The Companies updated the existing Damage Prevention Program to include detailed roles

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation III-1

and responsibilities, links to resources and additional documents, as well as detailing the steps the Companies may take with third party excavators with repeated incidents. See Recommendation VII-5.

Customer Service

The Companies continue to measure and review performance against various commitments and goals through the use of PMRs including: the New Service Installation Reports; the Residential Customer Disputes Report; the YTD Service Level Report; and four reports regarding meter reading, which are reviewed on a monthly basis. See Recommendation X-2.

Operational Efficiency Reports

The Companies continue to set goals and metrics annually. Goals and metrics are evaluated regularly and may be modified to ensure they align with performance objectives, commitments and regulatory requirements. Performance monitoring is completed using the ELTRs and PMRs described above to track and review performance. See Recommendation VII-3.

February 1, 2020 Progress Report

Safety Performance

The Companies continue working to improve safety programs to achieve world-class safety. In 2019, the Companies implemented several initiatives and improvements including the use of DEKRA Insight to support safety leadership through education and coaching; the implementation of the Field Verification of Critical Control process to proactively identify the presence of critical controls; the development of Safety Roles & Responsibilities which establishes clear and concise safety expectations; and the reorganization of the FirstEnergy Utilities Safety & Human Performance organization to consolidate internal and contractor safety functions as well as create a new public safety group. See Recommendation XI-1.

Reliability Performance

The Companies continue to monitor reliability performance through tracking of SAIFI, CAIDI, and SAIDI metrics in addition to the Companies' detailed plans intended to facilitate meeting their respective twelve-month and three-year performance standards. Reliability performance goals are reviewed and modified consistent with the projected improvement resulting from the plans. Additionally, the Companies continue to evaluate performance through the PMRs on a monthly basis. See Recommendation VII-1.

Customer Service

The Companies continue to measure and review performance against various commitments

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation III-1

and goals through the use of PMRs including: the New Service Installation Reports; the Residential Customer Disputes Report; the YTD Service Level Report; and four reports regarding meter reading, which are reviewed on a monthly basis. See Recommendation X-2.

Operational Efficiency Reports

The Companies continue to set goals and metrics annually. Goals and metrics are evaluated regularly and may be modified to ensure they align with performance objectives, commitments and regulatory requirements. Performance monitoring is completed using the ELTRs and PMRs described above to track and review performance. See Recommendation VII-3.

February 1, 2021 Progress Report

Safety Performance

The Companies continue working to improve safety programs to achieve world-class safety. In 2020, the Companies continued implementing the Leading with Safety initiative which shifts the focus from an initial leader and employee safety training to the creation of a culture of safety excellence focused on safety leadership skills, exposure identification and control, and employee engagement in changing the safety culture. The Companies have created safety management system teams responsible for ensuring continued progress on the Leading with Safety initiative. Additionally, the Companies have standardized the classification of life-changing event potential across the Companies which streamlines the event review process, including the data analysis and developing corrective actions. See Recommendation XI-1.

Reliability Performance

The Companies continue to monitor reliability performance through tracking of SAIFI, CAIDI, and SAIDI metrics in addition to the Companies' detailed plans intended to facilitate meeting their respective twelve-month and three-year performance standards. Reliability performance goals are reviewed and modified consistent with the projected improvement resulting from the plans. Additionally, the Companies continue to evaluate performance through the PMRs on a monthly basis. See Recommendation VII-1.

Customer Service

The Companies continue to measure and review performance against various commitments and goals through the use of PMRs including: the New Service Installation Reports; the Residential Customer Disputes Report; the YTD Service Level Report; and four reports regarding meter reading, which are reviewed on a monthly basis.

**FirstEnergy Pennsylvania Companies
Management Efficiency Investigation
Implementation Plan**

Follow-up Recommendation III-1

Operational Efficiency Reports

The Companies continue to set goals and metrics annually. Goals and metrics are evaluated regularly and may be modified to ensure they align with performance objectives, commitments and regulatory requirements. Performance monitoring is completed using the ELTRs and PMRs described above to track and review performance. See Recommendation VII-3.

Individual Responsible

Scott Wyman, President, Pennsylvania Operations

Expected Completion Date

Ongoing

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation V-2

Conduct periodic studies to determine if and to what extent the use of outside vendors for affiliate services is cost-justified.

Response

Accepted

Action

The Companies' Shared Services Support is being reviewed as part of a larger effort that has been undertaken at FirstEnergy over the past eighteen months called "FE Tomorrow", which will be completed and the associated recommendations implemented. FE Tomorrow was initiated as the process to define FirstEnergy's future organization to support its regulated utilities and is a study focused on identifying and understanding how Support Services and corporate functions will be provided across the future regulated organization. The objectives of the study include aligning the Shared Services organization to efficiently support the regulated-only vision and ensuring each utility retains an appropriate cost structure and is not burdened by legacy competitive business support costs. To the extent that the FE Tomorrow team identifies or has identified that the use of outside vendors for affiliate services may be a viable or less costly option in meeting its objectives, it may conduct further studies to make that determination.

FirstEnergy believes that this effort, along with its existing processes to validate the cost competitiveness of affiliate services, address the points set forth by the recommendation and will ensure that this review process continues consistent with that recommendation.

February 1, 2019 Progress Report

As noted above, the Companies' Shared Services Support was reviewed as part of a larger effort that was undertaken at FirstEnergy over the past eighteen months called "FE Tomorrow", which was initiated as the process to define FirstEnergy's future organization to support its regulated utilities and is a study focused on identifying and understanding how Support Services and corporate functions will be provided across the future regulated organization. As part of FE Tomorrow, the Company began an outsourcing partnership to handle all calls to the IT Service Desk. Overall, the Company identified approximately \$385 million of total cost reductions in its Shared Services Support organization beginning in 2019. In mid-2018, the Company implemented a voluntary early retirement program to offset nearly 500 positions and eliminated nearly 200 open positions within its Shared Services Support organization. As a result of the savings identified by the FE Tomorrow initiative, the Company reduced the Shared Services Support organization by approximately 40% and cut expenses by 43%. Furthermore, the operating expenses associated with the Company's Shared Services Support organization benchmark solidly within the top quartile of its industry.

**FirstEnergy Pennsylvania Companies
Management Efficiency Investigation
Implementation Plan**

Follow-up Recommendation V-2

FirstEnergy believes that this effort, along with its existing processes to validate the cost competitiveness of affiliate services, address the points set forth by the recommendation and will ensure that this review process continues consistent with that recommendation.

February 1, 2020 Progress Report

The approved FE Tomorrow savings identified and described above have been implemented and incorporated into the Companies' budgets and long-term forecast. These savings are tracked and reported on regularly to ensure realization of savings. To date, the expected savings are on track.

February 1, 2021 Progress Report

The approved FE Tomorrow savings identified and described above have been implemented and incorporated into the Companies' budgets and long-term forecast. The Companies no longer track the savings individually since they are inherently part of the existing 5-year forecast.

Individual Responsible

Jason Lisowski – VP, Controller & Chief Accounting Officer

Expected Completion Date

Ongoing

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-1

Improve electric reliability performance to meet minimum standards and strive toward achieving benchmark performance through the continued coordination with the PUC's Bureau of Technical Utility Services.

Response

Accepted

Action

Met-Ed, Penelec, Penn Power and West Penn have plans to improve overall reliability and strive to meet minimum standards and achieve benchmark performance in all three reliability indices. Plans include system improvements through Long Term Infrastructure Improvement Plans ("LTIIIP"),² enhanced vegetation management, rehabilitation of circuits, as well as other more detailed projects that are targeted to improve reliability.

Targeted Reliability Plans

Met-Ed has identified a number of reliability projects to help reduce the number of, and limit the duration and impact of, interruption to customers, and in turn meet or exceed minimum standards and work towards achieving benchmark performance. The projects are driven through the LTIIIP, Reliability Plan and Worst Performance Circuit ("WPC") Plan. The following highlights some of the work being performed under those plans.

- Met-Ed performs cycle-based tree trimming and enhanced tree trimming in select locations. Enhanced tree trimming removes healthy limbs overhanging primary conductors. Trees identified as a potential cause of a future outage are removed to prevent an interruption of electrical service to Met-Ed's customers. An example of the vegetation management improvements is the expansion of the four-year trim specification to include additional miles, the removal of overhang on the three-phase system and removal of all ash trees.
- Circuit ties and loops continue to be built between radial sections of circuits. When ties and loops are available, circuits can be switched during outages to enable faster service restoration.
- Targeted circuit rehabilitation is being performed in areas where circuits are having a high rate of equipment and line failure and animal caused outages. Equipment that may be replaced includes crossarms, capacitors, insulators, lightning arresters and connectors.

² On February 11, 2016 the Commission approved the LTIIIPs of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company at Docket Nos. P-2015- 2508942, P-2015-2508936, P-2015-2508948, P-2015-2508931.

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-1

- Wood poles identified by a qualified inspector as having degraded beyond restorable condition are being replaced, while poles that are restorable are being reinforced.
- Bare concentric neutral cable is being replaced as part of Met-Ed's underground distribution residential ("URD") cable replacement program. This type of cable was manufactured without an insulating jacket, thereby causing the concentric neutral wire to corrode and fail prematurely.
- Fuses and other protective devices are being installed on circuits selected based on overall performance as well as protection needs.
- Porcelain cutouts are being replaced with more robust polymer to reduce the number of recloser and circuit breaker lockouts and other equipment damage.
- Existing gang operated air brakes switches, disconnect switches and oil circuit reclosers are being replaced with supervisory control and data acquisition ("SCADA") controlled switches that will allow for remote operation to restore service to customers when an outage occurs. Remote switching eliminates the need to dispatch crews to manually operate the switches. The result is fewer customers affected and reduced outage durations.
- Met-Ed continues to address those circuits which have appeared on the 5% WPC list within its Annual Reliability Report for two or more years (see recommendation XII-4).

Penelec has identified a number of reliability projects to help reduce the number of, and limit the duration and impact of, interruption to customers, and in turn meet or exceed minimum standards and work towards achieving benchmark performance. The projects are driven through the LTIP, Reliability Plan and WPC Plan. The following highlights some of the work being performed under those plans.

- Penelec performs cycle-based tree trimming and has made vegetation management improvements such as acceleration of the trim cycle on poor performing circuits, strategic trimming based on switching capability and post storm patrols.
- Targeted circuit rehabilitation is being performed in certain zones, focusing on circuits having a high rate of equipment and line failure and animal-caused outages. Equipment that may be replaced includes crossarms, capacitors, insulators, lightning arresters and connectors.
- Porcelain cutouts are being replaced with a more robust version constructed from polymer which is likely to reduce the number of recloser and circuit breaker lockouts and other equipment damage.
- Circuit ties and loops continue to be built between radial sections of circuits. When ties and loops are available, circuits can be switched during outages to enable faster service restoration.
- Advanced protective devices such as electronically controlled reclosers and switches with modernized communication are being installed to allow for additional protection coordination.

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-1

- To reduce the scope of outages, fuse protection and coordination recommendations on the 34.5 kV system will be constructed and implemented based on full circuit coordination studies.
- Brown porcelain cap and pin style insulators that are prone to failure, as well as switch insulators and arresters, are being replaced.
- Penelec has identified a brand of circuit breaker that fails to operate properly causing unreliable breaker operations during line outages. As a result, these select circuit breakers at 34.5 kV substations are being replaced.
- Additional SCADA controlled devices are being installed at locations on both the distribution and 34.5 kV systems that will allow for remote operation to restore service to customers when an outage occurs. Remote switching eliminates the need to dispatch crews to manually operate the switches. The result is fewer customers affected and reduced outage durations.
- Penelec continues to address those circuits which have appeared on the 5% WPC list within its Annual Reliability Report for two or more years.

Penn Power has identified a number of reliability projects to help reduce the number of, and limit the duration and impact of, interruption to customers, and in turn meet or exceed minimum standards and work towards achieving benchmark performance. The projects are driven through the LTIIP, Reliability Plan and WPC Plan. The following highlights some of the work being performed under those plans.

- Penn Power performs cycle-based tree trimming which removes selected incompatible trees within the clearing zone corridor, removes certain defective limbs that are overhanging primary conductors, controls selected incompatible brush, and removes off right-of-way priority trees. In addition, Penn Power performs enhanced trimming, which removes healthy limbs overhanging primary conductors, and is increasing priority tree removal on selected circuits.
- Switches and fuses are being installed on unprotected overhead circuits for improved line sectionalizing capability, reducing the scope of an outage and allowing for quicker isolation and restoration. In addition, poles, reclosers, cutouts, arresters, fault indicators and animal guards may be replaced or installed to ensure proper line sectionalizing.
- Circuit ties and loops continue to be built between radial sections of circuits. When ties and loops are available, circuits can be switched during outages to enable faster restoration. In addition, Penn Power continues to add new substations which provide a new source to serve customers and additional capacity.
- Smaller, aging overhead conductors are being replaced to improve energy efficiency, increase capacity and improve operational flexibility.
- Bare concentric neutral cable is being replaced as part of Penn Power's URD cable replacement program. This type of cable was manufactured without an insulating jacket, thereby causing the concentric neutral wire to corrode and fail prematurely.

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-1

- Wood poles identified by a qualified inspector as having degraded beyond restorable condition are being replaced, while poles that are restorable are being reinforced.
- Circuit breakers, station transformers and other substation equipment, such as insulators, switches, buses, arresters and conductors that are obsolete or in poor condition are being replaced with new equipment. Proactively replacing older equipment increases substation reliability and reduces the occurrence of equipment failure.
- Additional SCADA devices are being installed where circuit conditions and system performance warrant. Remote SCADA controlled devices allow for remote operation to restore service to customers when an outage occurs. Remote switching eliminates the need to dispatch crews to manually operate the switches. The result is fewer customers affected and reduced outage durations.

West Penn has identified a number of reliability projects to help reduce the number of, and limit the duration and impact of, interruption to customers, and in turn meet or exceed minimum standards and work towards achieving benchmark performance. The projects are driven through the LTIP, Reliability Plan and WPC Plan. The following highlights some of the work being performed under those plans.

- West Penn performs cycle-based tree trimming which removes selected incompatible trees within the clearing zone corridor, removes certain defective limbs that are overhanging primary conductors, controls selected incompatible brush, and removes off right-of-way priority trees. West Penn continues its program to accelerate the mitigation of trees subject to damage from the Emerald Ash Borer.
- Switches and fuses are being installed on unprotected overhead circuits for improved line sectionalizing capability, reducing the scope of an outage and allowing for quicker isolation and restoration. In addition, poles, reclosers, cutouts, arresters, fault indicators and animal guards may be replaced or installed to ensure proper line sectionalizing.
- Circuit ties and loops continue to be built between radial sections of circuits. When ties and loops are available, circuits can be switched during outages to enable faster restoration. In addition, Penn Power³ continues to add new substations which provide a new source to serve customers and additional capacity.
- Smaller, aging overhead conductors are being replaced to improve energy efficiency, increase capacity and improve operational flexibility.
- Bare concentric neutral cable is being replaced as part of Penn Power's⁴ URD cable replacement program. This type of cable was manufactured without an insulating jacket, thereby causing the concentric neutral wire to corrode and fail prematurely.
- Wood poles identified by a qualified inspector as having degraded beyond restorable condition are being replaced, while poles that are restorable are being reinforced.

³ This highlight pertains to work being performed by West Penn however Penn Power was incorrectly identified.

⁴ See footnote 1.

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-1

- Circuit breakers, station transformers and other substation equipment, such as insulators, switches, buses, arresters and conductors that are obsolete or in poor condition are being replaced with new equipment. Proactively replacing older equipment increases substation reliability and reduces the occurrence of equipment failure.
- Additional SCADA devices are being installed where circuit conditions and system performance warrant. Remote SCADA controlled devices allow for remote operation to restore service to customers when an outage occurs. Remote switching eliminates the need to dispatch crews to manually operate the switches. The result is fewer customers affected and reduced outage durations.
- West Penn continues to address those circuits which have appeared on the 5% WPC list within its Annual Reliability Report for two or more years.

The Companies will continuously review these plans to determine the effectiveness of the identified projects and programs in relation to actual performance results. Projects may be re-prioritized, have completion dates adjusted, or be added or removed based on ongoing engineering analysis to maximize the reliability and operating benefits to the systems as determined necessary to the established targets.

Inspection & Maintenance

Every two years, the Companies file Biennial Inspection, Maintenance, Repair and Replacement Plans (“Biennial Plans”). These Biennial Plans outline the basis of inspection and maintenance objectives and are designed to reduce the risk of outages on the Companies’ systems. The Biennial Plans consist of programs to conduct vegetation management, distribution overhead line inspections, distribution transformer inspections, pole inspections, recloser inspections and substation inspections. The Biennial Plans are structured in accordance with the guidelines established by the National Electrical Safety Code, the Codes and Practices of the Institute of Electrical and Electronic Engineers, Federal Regulatory Commission Regulations, and the American National Standards Institute.

Monitoring of Performance

The Companies will continue to regularly review (*i.e.*, daily, weekly, monthly) reliability performance. Reliability and WPC performance is also actively monitored by the PA leadership team on a monthly basis through the associated ELTRs and PMR Reports established to address Pennsylvania specific performance objectives and other regulatory requirements for Met-Ed, Penelec, Penn Power, and West Penn.

February 1, 2019 Progress Report

Targeted Reliability Plans

In response to the Commission’s September 20, 2018 Order in the Periodic Review of the Companies’ LTIPs directing the Companies to file a new or modified LTIP, a reliability team comprised of reliability engineers from the Companies was formed in 2018 to

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-1

augment the review of the Companies' LTIP projects, expenditures, and reliability performance, and to develop an overarching strategy for long-term reliability maintenance and improvement for all the Companies. Additionally, an independent consulting firm was retained to help ascertain the most meaningful alterations of the Companies' plans. Revised LTIPs were filed on January 18, 2019 which requested modifications to the approved LTIPs for 2019. Specifically, the revised LTIPs will increase overall spending in 2019 by transferring planned capital from 2020 into 2019, by allocating additional capital in 2019, by accelerating selected existing planned projects into 2019, and by adding new projects that yield reliability benefits. Additionally, the Companies will formulate and submit to the Commission by no later than 120 days prior to the expiration of the 2019 LTIPs, new LTIPs for the five-year period of 2020 to 2024, which will include programs and expenditures designed to maximize sustained reliability over the long-term.

In the short-term, this strategy will provide for an acceleration of the realization of reliability improvements from the Companies' LTIP programs and establish a foundation for long-term, sustainable infrastructure improvements. With this strategy, the Companies will continue to provide reliability advancements, customer service improvements, and meet the needs and demands of its customers into the future.

The following highlights some of the company-specific 2018 reliability improvements and work planned under the revised 2019 LTIP.

Met-Ed

- In 2018, Met-Ed again continued to experience the benefits of circuit rehabilitation with three additional circuits of the original sixteen circuits targeted in Met-Ed's WPC plan showing improved performance, and no longer meeting the Commission's WPC criteria.
- Met-Ed's primary revised LTIP programs targeting reliability improvements include SCADA device installation, targeted line rehabilitation, and circuit tie and loop creation.

Penelec

- In 2018, Penelec increased total infrastructure improvement spending by accelerating approximately \$15 million of the Commission-approved LTIP funding from 2019 and 2020 into 2018 to complement programs that minimize outage impacts and reduce equipment failure. This accelerated funding contributed to reduced equipment and line failures; new infrastructure providing contingencies for worst performing circuits; additional SCADA sectionalizing; and system and component modernization, all of which contributed to improved reliability performance in 2018.
- Penelec's primary revised LTIP programs targeting reliability improvements include SCADA device installation, substation breaker and recloser replacement, and targeted line rehabilitation.

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Follow-up Recommendation VII-1

Penn Power

- In 2018, Penn Power targeted \$9.7 million of combined capital and maintenance to its vegetation management program and increased total infrastructure improvement spending by accelerating approximately \$7 million of its Commission-approved LTIIP funding from 2019 and 2020 into 2018 for circuit, substation, and SCADA programs. The accelerated funding contributed primarily to substation equipment replacements and SCADA device installations.
- Penn Power's primary revised LTIIP programs targeting reliability improvements include aggressive vegetation management, remote sectionalizing, and smart fuse installation.

West Penn

- In 2018, West Penn targeted an increase in the combined capital and maintenance for its vegetation management program of approximately \$4.7 million. The Company also increased total infrastructure improvement spending by accelerating approximately \$3 million of the Commission-approved LTIIP funding from 2019 and 2020 into 2018 to complement programs that minimize outage impacts and reduce equipment failure. This accelerated funding was targeted at programs to reduce equipment and line failures and modernize systems and components.
- West Penn's primary revised LTIIP programs targeting reliability improvements include SCADA device installation; substation equipment replacements and additions; and recloser installations and replacements.

The effectiveness of the projects and programs that comprise the LTIIPs, Reliability Plans, and WPC Plans will be reviewed periodically to ensure that they remain prudent and cost-effective. Also, reliability and equipment failure trends will be analyzed on an ongoing basis. The Companies may re-prioritize, alter completion dates, and add or remove projects based on engineering analyses to maximize the reliability and operating benefits to the affected circuits, while taking into consideration the overall impact to reliability and operational improvements and the costs and benefits to customers.

Inspection & Maintenance

On October 1, 2017, the Companies filed their Biennial Inspection, Maintenance, Repair and Replacement Plans ("Biennial Plans") for the period of January 1, 2019 through December 31, 2020. The Companies will file Biennial Plans on October 1, 2019 for the period of January 1, 2021 through December 31, 2022. Any changes to the Biennial Plans will be contemplated at that time of preparation.

Staffing Plans

The Companies continue to utilize the existing workforce to engineer and construct the projects and initiatives identified within each of the Reliability, WPC, and LTIIP Plans, and each Company will supplement this workforce with skilled contractors if unable to meet the manpower needs for any given project. Although a detailed staffing study has been completed, work plans can change over time and typically evolve from initial concept to

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approved detailed design through engineering analysis. Also, see Recommendation VII-3.

Monitoring of Performance

The Companies will continue to regularly review (*i.e.*, daily, weekly, monthly) reliability performance. Reliability and WPC performance is also actively monitored by the Pennsylvania Executive Leadership Team on a monthly basis through the associated ELTRs and PMR Reports established to address Pennsylvania-specific performance objectives and other regulatory requirements for Met-Ed, Penelec, Penn Power and West Penn.

February 1, 2020 Progress Report

Targeted Reliability Plans

In response to the Commission's September 20, 2018 Order in the Periodic Review of the Companies' LTIIPs which directed the Companies to file new or modified LTIIPs, revised LTIIPs were filed on January 18, 2019 which requested modifications to the approved LTIIPs for 2019. Specifically, the revised LTIIPs increased overall spending in 2019 by accelerating planned capital from 2020 into 2019 and by allocating additional capital in 2019 to accelerate selected existing planned projects into 2019 and add new projects that yield reliability benefits. Those revised LTIIPs were subsequently approved on May 23, 2019. Also, on August 30, 2019, the Companies filed new LTIIPs ("LTIIIP II") for the five-year period of 2020 to 2024, which were subsequently approved on January 16, 2020, and which include programs and expenditures designed to maximize sustained reliability over the long-term.

The following provides some of the company-specific highlights.

Met-Ed

- Benefits from reliability work generally take three to five years to fully realize the impact of investments made. Met-Ed is just now beginning to realize benefits from LTIIIP investments made in 2016 through 2017, such as the following:
 - Sixteen WPC targeted for improvement have seen a twenty-seven percent reduction in average customer minutes of interruption ("CMI"). Ten of the sixteen circuits are no longer repeat worst performers.
 - Met-Ed has saved an estimated 488,169 CMI and 3,922 customers from a sustained outage since completing the 895-3 Shawnee to 816-3 Fox Hill circuit tie in the Stroudsburg customer operating center.
- Met-Ed's primary revised LTIIIP programs targeting reliability improvements in 2019 included SCADA device installation, targeted line rehabilitation, and circuit tie and loop creation.
- In 2019, Met-Ed set aside \$11 million, incremental to the cost of its otherwise planned programs and LTIIIP investments, for purposes of removing additional off right-of-way priority trees.

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- Met-Ed’s LTIIIP II will invest \$152.60 million into its distribution infrastructure and technology during the five-year period beginning January 1, 2020 and ending December 31, 2024. Met-Ed’s two areas of focus of the LTIIIP II target asset health and outage exposure. Asset health focuses on improving circuits or replacing and rehabilitating circuits, network and underground ducted systems, poles, substation equipment, and underground cable. Outage exposure focuses on minimizing the impact of customer outages through the sectionalization of circuits with remote control and distribution automation.

Penelec

- Benefits from reliability work generally take three to five years to fully realize the impact of investments made. Penelec is just now beginning to realize benefits from LTIIIP investments made in 2016 through 2017, such as the following:
 - On average, Penelec restored over 330,000 customers in under five minutes on circuits where SCADA exists.
 - The average SAIDI has improved from 1.44 minutes to 0.33 minutes on the 34.5 kilovolt (“kV”) system in zones one and two where porcelain cutouts have been replaced.
- Penelec’s primary revised LTIIIP programs targeting reliability improvements in 2019 included SCADA device installation, substation breaker and recloser replacement, and targeted line rehabilitation.
- In 2019, Penelec set aside \$10 million, incremental to the cost of its otherwise planned programs and LTIIIP investments, for purposes of removing additional off right-of-way priority trees.
- Penelec’s LTIIIP II will invest \$199.75 million into its distribution infrastructure and technology during the five-year period beginning January 1, 2020 and ending December 31, 2024. Penelec’s two areas of focus of the LTIIIP II target asset health and outage exposure. Asset health focuses on improving circuits or replacing and rehabilitating circuits, network and underground ducted systems, poles, substation equipment, and underground cable. Outage exposure focuses on minimizing the impact of customer outages through the sectionalization of circuits with remote control and distribution automation.

Penn Power

- Benefits from reliability work generally take three to five years to fully realize the impact of investments made. Penn Power is just now beginning to realize benefits from LTIIIP investments made in 2016 through 2017, such as the following:
 - Penn Power has experienced a seventy-four percent decrease in CMI related to 23 kV outages since the installation of SCADA.
 - Penn Power has experienced a twenty-eight percent reduction in CMI where line sectionalizing work has been performed.
- Penn Power’s primary revised LTIIIP programs targeting reliability improvements in 2019 included SCADA device installation, circuit tie and loop creation, and remote sectionalizing.

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- Penn Power's LTIIIP II will invest \$72.38 million into its distribution infrastructure and technology during the five-year period beginning January 1, 2020 and ending December 31, 2024. Penn Power's two areas of focus of the LTIIIP II target asset health and outage exposure. Asset health focuses on improving circuits or replacing and rehabilitating circuits, network and underground ducted systems, poles, substation equipment, and underground cable. Outage exposure focuses on minimizing the impact of customer outages through the sectionalization of circuits with remote control and distribution automation.

West Penn

- Benefits from reliability work generally take three to five years to fully realize the impact of investments made. West Penn is just now beginning to realize benefits from LTIIIP investments made in 2016 through 2017, such as the following:
 - West Penn has avoided nearly 2.6 million CMI where Viper reclosers have been installed.
 - West Penn has experienced a reduction in customers per outage from ninety-two to seventy-four where circuit coordination reviews have been completed.
- West Penn's primary revised LTIIIP programs targeting reliability improvements in 2019 included targeted line rehabilitation, overcurrent protection and capacity reviews, and enhanced overcurrent protection.
- In 2019, West Penn set aside \$9 million, incremental to the cost of its otherwise planned programs and LTIIIP investments, for purposes of removing additional off right-of-way priority trees.
- West Penn's LTIIIP II will invest \$146.97 million into its distribution infrastructure and technology during the five-year period beginning January 1, 2020 and ending December 31, 2024. West Penn's two areas of focus of the LTIIIP II target asset health and outage exposure. Asset health focuses on improving circuits or replacing and rehabilitating circuits, network and underground ducted systems, poles, substation equipment, and underground cable. Outage exposure focuses on minimizing the impact of customer outages through the sectionalization of circuits with remote control and distribution automation.

The effectiveness of the projects and programs that comprise the LTIIIPs are reviewed periodically to ensure that they remain prudent and cost-effective. Also, reliability and equipment failure trends are analyzed on an ongoing basis. The Companies may re-prioritize, alter completion dates, and add or remove projects based on engineering analyses to maximize the reliability and operating benefits to the affected circuits, while taking into consideration the overall impact to reliability and operational improvements and the costs and benefits to customers.

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Follow-up Recommendation VII-1

Inspection & Maintenance

On October 1, 2019, the Companies filed their Biennial Inspection, Maintenance, Repair and Replacement Plans (“Biennial Plans”) for the period of January 1, 2021 through December 31, 2022.

Staffing Plans

The Companies continue to utilize the existing workforce to engineer and construct the projects and initiatives identified within the LTIIPs, and each Company will supplement this workforce with skilled contractors if unable to meet the manpower needs for any given project. The Companies continue to analyze staffing data and trends and implement improvements. Also, see Recommendation VII-3.

Monitoring of Performance

The Companies will continue to regularly review (*i.e.*, daily, weekly, monthly) reliability performance. Reliability and WPC performance is also actively monitored by the Pennsylvania Executive Leadership Team on a monthly basis through the associated ELTRs and PMR Reports established to address Pennsylvania-specific performance objectives and other regulatory requirements for Met-Ed, Penelec, Penn Power and West Penn.

February 1, 2021 Progress Report

Targeted Reliability Plans

On August 30, 2019, the Companies filed new LTIIPs (“LTIIP II”) for the five-year period of 2020 to 2024, which were subsequently approved on January 16, 2020, and which include programs and expenditures designed to maximize sustained reliability over the long term.

Each of the Companies’ LTIIPs focus on two areas, asset health and outage exposure.

- Asset health efforts focus on maintaining the system in a state of good repair which requires a level of capital invest that focuses on replacing components that have reached the end of their useful life. Asset health investments are largely focused on improving circuits or replacing and rehabilitating circuits, network and underground ducted systems, poles, substation equipment, and underground cable.

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Follow-up Recommendation VII-1

- Outage exposure efforts focus on minimizing the impact of customer outages. The maturity cycle of outage exposure reduction begins with the sectionalization of circuits, is enhanced with remote control, and ends with distribution automation. The Companies outage exposure investments (twenty-five percent of LTIIP II) are targeted predominantly in the remote control phase with some work in the sectionalization phase. Initiatives such as Distribution Circuit Protection and Sectionalizing will improve distribution system coordination and sectionalization while initiatives such as Remote Sectionalizing, New Sources and Substation SCADA Control and Indication will support remote sectionalizing, address N-1⁵ source issues, and enhance operational flexibility by initially providing dispatchers with remote control of sectionalizing devices until an automated distribution management system (“ADMS”) becomes available.⁶

The effectiveness of the projects and programs that comprise the LTIIPs are reviewed periodically to ensure that they remain prudent and cost-effective. Also, reliability and equipment failure trends are analyzed on an ongoing basis. The Companies may re-prioritize, alter completion dates, and add or remove projects based on engineering analyses to maximize the reliability and operating benefits to the affected circuits, while taking into consideration the overall impact to reliability and operational improvements and the costs and benefits to customers.

Inspection & Maintenance

On October 1, 2019, the Companies filed their Biennial Inspection, Maintenance, Repair and Replacement Plans (“Biennial Plans”) for the period of January 1, 2021 through December 31, 2022.

Staffing Plans

The Companies continue to utilize the existing workforce to engineer and construct the projects and initiatives identified within the LTIIPs, and each Company will supplement this workforce with skilled contractors if unable to meet the manpower needs for any given project. The Companies continue to analyze staffing data and trends and implement improvements. Also, see Recommendation VII-3.

Monitoring of Performance

The Companies will continue to regularly review (*i.e.*, daily, weekly, monthly) reliability performance. Reliability and WPC performance is also actively monitored by the Pennsylvania Executive Leadership Team on a monthly basis through the associated

⁵ N-1 means a lack of available contingency options and a loss of the source would impact the ability to provide reliable service.

⁶ The current outage management system does not have the capability to support distribution automation. Implementation of a new ADMS creates the basis for incorporating future technologies that will support distribution automation. This LTIIP II initiative is a multi-year project and will be complete in 2022.

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ELTRs and PMR Reports established to address Pennsylvania-specific performance objectives and other regulatory requirements for Met-Ed, Penelec, Penn Power and West Penn.

Individual Responsible

Scott Wyman, President, Pennsylvania Operations

Expected Completion Date

Ongoing

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-2

Enhance workforce planning and reporting to ensure adequate staffing and periodically report on staffing reviews with the PUC's Bureau of Technical Utility Services.

Response

Accepted in part

Action

A detailed staffing study was completed by the Companies on May 1, 2016, to identify attrition, transfers and promotions and develop an effective hiring plan, which included proper staffing levels of craft workers to reduce overtime and enrollment plans for the Companies' Power Systems Institute ("PSI") programs. The report, which summarized the study and its findings, was submitted to the Commission's Reliability and Emergency Preparedness Section of the Bureau of Technical Utility Services on December 19, 2016.

The Companies' plan based on this study is to staff the workforce to support a steady state workload that includes day-to-day operations and a reasonable level of storm response, projected from historical averages. For instances when workload increases above steady-state levels, the Companies have the ability to supplement their own resources with those of an affiliated company to assist in completion of a project or task. The Companies also retain contractors to supplement the Companies' standard employees, particularly during construction of large capital projects. Additionally, the same approach is utilized during abnormal storm restoration events that are difficult to project staffing needs for due to their tendency to fluctuate in frequency, scope, duration and location. In those instances, the Companies look to available affiliated resources, as well as supplement with contractors or mutual assistance as an event may require. This process assists in maintaining overtime at reasonable levels, while enabling the Companies to provide timely response to outages during abnormal storm events that are not conducive to staffing through traditional workload planning.

Ongoing Monitoring and Analysis

The Companies continue to actively hire skilled employees through both the PSI program and externally. Staffing plans are developed by the Companies annually with focus on forecasting staffing and attrition plans and ensuring alignment with the approved staffing headcount for the current year, plus five years out. These reports are completed annually and are reviewed by leadership. The following reports are provided by the FirstEnergy Workforce Development group to assist the Companies in creating the staffing plans for the current plus five-year forecast.

- Attrition reports – These reports show analyses related to employees that leave the companies through retirement, voluntarily termination, or involuntarily termination. They display average age and a three-year percentage of attrition by employee and job group.
- Age Demographics – These reports provide an analysis of age ranges by job.

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation VII-2

The Companies will conduct enhanced workforce analysis routinely based on the dedicated overtime allowance of 15% in aggregate. Historic storm data⁷ will be used as the basis for projected storm activity for the upcoming year including all storms except those that can be excluded per 52 Pa. Code § 57.192. In addition, the analysis will be performed for every service center at each of the Companies. All aspects of annual planning for field operations such as emergency restoration, inspection and maintenance work, capital work, training, leave usage and administrative/nonproductive time will be included.

In addition, the Companies continue to track and monitor overtime by issuing weekly financial reports and performing additional analyses on a monthly basis as part of the ELTRs reviewed by the Pennsylvania leadership team.

Through response to Recommendation VII-3, the Companies will perform a best practice review on staffing, call-out acceptance, and shift work strategies, as well as an analysis of additional shifts for each service center and report on the findings to the PUC's Bureau of Technical Utility Services.

February 1, 2019 Progress Report

The Companies continue to develop and utilize annual Staffing Analysis plans to address staffing levels based on projected retirements and other attrition. Additionally, the Companies continue to track and monitor overtime by issuing weekly financial reports and performing additional analysis on a monthly basis through the ELTRs. Also, see Recommendation VII-3 for information on the best practice review on staffing, call-out acceptance, and shift work strategies.

PSI Program

The Companies continue to maintain the PSI programs with the objective to proactively hire individuals that will fulfill the line worker and substation electrician staffing needs of the Companies. The table below provides the updated enrollment numbers for the Companies. The actual enrollment numbers for 2018 overall were higher than projected. The projected total was 73, and the actual enrollment total was 93. The total hires overall in 2018 from the PSI two-year program is 99.

⁷ Historic storm data is not available for all companies for a ten-year history. Available data will be used for this analysis.

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Management Efficiency Investigation
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Follow-up Recommendation VII-2

PSI Enrollment Summary^{1,2}

	2016 Projected	2016 Actual	2016 Difference	2017 Projected	2017 Actual	2017 Difference	2018 Projected	2018 Actual	2018 Difference	2019 Projected
Line Worker Total	75	76	1	52	74	22	71	76	5	81
Met-Ed	15	15	0	12	15	3	24	21	-3	27
Penelec	24	25	1	24	25	1	18	26	8	24
Penn Power	8	8	0	6	6	0	5	5	0	2
West Penn	28	28	0	10	28	18	24	24	0	28

	2016 Projected	2016 Actual	2016 Difference	2017 Projected	2017 Actual	2017 Difference	2018 Projected	2018 Actual	2018 Difference	2019 Projected
Substation Total	20	30	10	11	23	12	11	16	5	19
Met-Ed	4	10	6	3	5	2	4	4	0	10
Penelec	6	6	0	6	6	0	3	6	3	6
Penn Power	3	5	2	0	4	4	1	1	0	0
West Penn	7	9	2	2	8	6	3	5	2	3

	2016 Projected	2016 Actual	2016 Difference	2017 Projected	2017 Actual	2017 Difference	2018 Projected	2018 Actual	2018 Difference	2019 Projected
PSI Total	95	106	11	63	97	34	82	92	10	100
Met-Ed	19	25	6	15	20	5	28	25	-3	37
Penelec	30	31	1	30	31	1	21	32	11	30
Penn Power	11	13	2	6	10	4	6	6	0	2
West Penn	35	37	2	12	36	24	27	29	2	31

¹ A decrease in enrollment numbers may vary from a personal decision to leave the program, poor academics, or poor performance as part of the program.

² The enrollment numbers for 2019 are subject to change based on annual staffing analyses.

February 1, 2020 Progress Report

The Companies continue to develop and utilize annual Staffing Analysis plans to address staffing levels based on projected retirements and other attrition. In 2019, a report was developed to allow the Companies to actively track and monitor overtime. The Companies also continue to perform additional analyses on a monthly basis through the ELTRs. In addition, the Companies are actively undergoing an enhanced workforce analysis.

Also, see Recommendation VII-3 for information on the best practice review on staffing, call-out acceptance, and shift work strategies, which includes those practices being implemented throughout the Companies.

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Follow-up Recommendation VII-2

PSI Program

The Companies continue to maintain the PSI programs with the objective to proactively hire individuals that will fulfill the line worker and substation electrician staffing needs of the Companies. The table below provides the updated PSI enrollment numbers. The actual enrollment numbers for 2019 overall were slightly lower than projected. The projected total was 100, and the actual enrollment total was 98. The total hires overall in 2019 from the PSI two-year program is 94.

	2016 Projected	2016 Actual	2016 Difference	2017 Projected	2017 Actual	2017 Difference	2018 Projected	2018 Actual	2018 Difference	2019 Projected	2019 Actual
Line Worker Total	75	76	1	52	74	22	71	76	5	81	74
Met-Ed	15	15	0	12	15	3	24	21	-3	27	26
Penelec	24	25	1	24	25	1	18	26	8	24	24
Penn Power	8	8	0	6	6	0	5	5	0	2	2
West Penn	28	28	0	10	28	18	24	24	0	28	22
Substation Total	20	30	10	11	23	12	11	16	5	19	24
Met-Ed	4	10	6	3	5	2	4	4	0	10	9
Penelec	6	6	0	6	6	0	3	6	3	6	6
Penn Power	3	5	2	0	4	4	1	1	0	0	1
West Penn	7	9	2	2	8	6	3	5	2	3	8
PSI Total	95	106	11	63	97	34	82	92	10	100	98
Met-Ed	19	25	6	15	20	5	28	25	-3	37	35
Penelec	30	31	1	30	31	1	21	32	11	30	30
Penn Power	11	13	2	6	10	4	6	6	0	2	3
West Penn	35	37	2	12	36	24	27	29	2	31	30

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The Companies continue to develop and utilize annual Staffing Analysis plans to address staffing levels based on projected retirements and other attrition. In 2019, a report was developed to allow the Companies to actively track and monitor overtime. The Companies also continue to perform additional analyses on a monthly basis through the ELTRs. In addition, the Companies are actively undergoing an enhanced workforce analysis.

Also, see Recommendation VII-3 for information on the best practice review on staffing, call-out acceptance, and shift work strategies, which includes those practices being implemented throughout the Companies.

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PSI Program

The Companies continue to maintain the PSI programs with the objective to proactively hire individuals that will fulfill the line worker and substation electrician staffing needs of the Companies. The table below provides the updated PSI enrollment numbers. The actual enrollment numbers for 2020 overall were lower than projected. The primary reason for the lower actual enrollment was due to COVID-19 and the necessary precautions implemented to keep students and staff safe. The total hires overall in 2020 from the PSI two-year program is 87.

	2016 Projected	2016 Actual	2016 Difference	2017 Projected	2017 Actual	2017 Difference	2018 Projected	2018 Actual	2018 Difference	2019 Projected	2019 Actual	2019 Difference	2020 Projected	2020 Actual
Line Worker Total	75	76	1	82	74	22	71	76	5	81	74	-7	68	35
Met-Ed	15	15	0	12	15	3	24	21	-3	27	26	-1	22	10
Penelec	24	25	1	24	25	1	18	26	8	24	24	0	24	10
Penn Power	8	8	0	6	6	0	5	5	0	2	2	0	4	4
West Penn	28	28	0	10	28	18	24	24	0	28	22	-6	18	11
Substation Total	20	30	10	11	23	12	11	16	5	19	24	5	23	19
Met-Ed	4	10	6	3	5	2	4	4	0	10	9	-1	9	5
Penelec	6	6	0	6	6	0	3	6	3	6	6	0	6	6
Penn Power	3	5	2	0	4	4	1	1	0	0	1	1	2	2
West Penn	7	9	2	2	8	6	3	5	2	3	8	5	6	6
PSI Total	95	106	11	63	97	34	82	92	10	100	98	-2	91	54
Met-Ed	19	25	6	15	20	5	28	25	-3	37	35	-2	31	15
Penelec	30	31	1	30	31	1	21	32	11	30	30	0	30	16
Penn Power	11	13	2	6	10	4	6	6	0	2	3	1	6	6
West Penn	35	37	2	12	36	24	27	29	2	31	30	-1	24	17

Individual Responsible

Scott Wyman, President, Pennsylvania Operations

Expected Completion Date

Ongoing

**FirstEnergy Pennsylvania Companies
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Follow-up Recommendation VII-3

Conduct a best practice review of the FE-PA companies on staffing, call-out acceptance, and shift work strategies, as well as an analysis of additional shifts for each service center and report on the findings to the PUC's Bureau of Technical Utility Services.

Response

Accepted

Action

The Companies will perform a best practice review on staffing, call-out acceptance, and shift work strategies, as well as an analysis of additional shifts for each service center and report on the findings to the PUC's Bureau of Technical Utility Services

The Companies' current collective bargaining agreements are consistent in identifying expectations for employees to work overtime when requested and to respond promptly when called out for emergency work. The expectation is that employees respond when called. In addition, the Companies' leadership has met with union leadership several times to discuss strategies and processes to streamline and improve callout acceptance. The union leadership was notified of the Commission's and Companies' concerns with regard to those workers with low acceptance of emergency call outs as permitted by applicable union contracts.

In efforts to increase call out performance and reinforce expectations, the Companies use a variety of methods to address areas with low call-out acceptance rates. The approach varies based upon contractual past practices and limitations. Met-Ed, Penelec and Penn Power hold one-on-one coaching sessions, as needed, for employees performing below the Company call out acceptance average. Met-Ed, Penelec and Penn Power also recognize and use positive reinforcements to those employees performing above the Company call out acceptance average. West Penn and Penn Power have initiated pager crews that identify crews required to respond when called. West Penn also holds coaching sessions with its progressing bargaining unit employees. The following additional changes were made to reduce the first responder response times to emergency outages and to increase shift coverage reducing call-out exposure and the need for emergency call-out.

- In 2016, Met-Ed increased the number of servicemen from thirty to thirty-six and also acquired additional service vehicles for serviceman to take home, which enabled them to respond directly to emergency call-outs.
- In September 2017, Met-Ed took action by increasing the number of rotating shifts and weekend coverage servicemen in three line shops and also modified shift schedules and increased the number of alternate shift lineman in two districts.
- In March 2018, Penelec added trouble shift coverage in the Meadville District. (17 hours per day coverage Monday – Friday, and 10 hours per day coverage on

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Follow-up Recommendation VII-3

- Saturday and Sunday).
- In October 2018, Met-Ed implemented alternate shifts in three district line shops providing seven-day line crew coverage.

Finally, callout acceptance tracking data continues to be monitored as part of the PMR that is reviewed and monitored by the Pennsylvania leadership team. This includes callout acceptance rates, total calls, workers accepting, and elapsed time by month and by Company.

February 1, 2019 Progress Report

A team is being established comprised of representatives from each of the Companies, to analyze data and trends to determine best practices for staffing and shift work strategies. In addition, the Companies are exploring innovative ways to train and hire new skilled workers, such as working with engineering firms in such a way as to prepare the firms' employees, as they develop the skills and knowledge of the Companies' operations through contracted projects, for potential direct hire into the Companies.

A second team, comprised of the Directors of Operation Services from each of the Companies, was established to review call-out acceptance strategies. This team is looking at ways to improve both the specific call-out acceptance rates but also improved ways of measuring and monitoring employees' total overtime, which provides a more accurate measurement of employees' overtime performance. This team will continue to analyze the available data and develop recommendations based on those analyses.

In addition, the Companies continue to employ methods targeted towards a more equitable distribution of overtime hours. These methods include: 1) leveraging additional shifts for trouble workers; 2) employing contractors as a supplement to the Companies' regular status employees; and 3) working with union leadership to improve call-out acceptance levels for those employees with low acceptance rates.

The following additional changes were made to increase shift coverage reducing call-out exposure.

- In 2018, Met-Ed created alternate-shift crews in three of its line shops to provide coverage each day of the week.
- In January 2019, West Penn ratified an agreement with its union which allows the Company to staff weekend line crews. This agreement goes into effect May 1, 2019.

Additionally, the Companies continue to hold one-on-one coaching sessions, as needed, for employees performing below the Company call out acceptance average and also recognizes and uses positive reinforcements for those employees performing above the Company call out acceptance average.

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Follow-up Recommendation VII-3

February 1, 2020 Progress Report

Teams comprised of representatives from each of the Companies have been assembled to analyze data and trends to determine best practices for staffing, callout, and shift work strategies. The Companies have begun implementing some enhancements as a result of the work of these teams, such as those items listed below.

- Advanced information mapping (“AIM”), which includes several technical system enhancements to allow field workers to electronically report and communicate with storeroom teams, designers, and mappers which then gives the line crews a more complete picture of the work required on the job site. These enhancements also allow field workers to capture customer meter information, allowing them to reduce manual intervention and improve the accuracy of customer billing. Mobile data terminals were also updated to provide a common platform for all users.
- Enhancements to the Companies’ callout process were made to include automated callouts and tracking of employee callout acceptance rates.
- Improvements to metrics for staffing, callout, and shift work were implemented to continue to drive improvements in the areas of efficiency, productivity, and operational excellence. These metrics evaluate alignment of manhours from a more global perspective and consider the entire work request process. These metrics also include mobility metrics to monitor efficiency of the designing and scheduling process. The Companies review these metrics on a weekly basis and discuss drivers of outlier performance and develop mitigation strategies.
- The Companies implemented alternate shifts where deemed necessary based on a review of each service center.
- The Companies continue to improve internal resource sharing where and when possible. Annual reviews of workload planning help identify where resources may be shifted within a Company to help support work in a way that best utilizes resources. Internal and external resources are also utilized in preparation of or in response to storms to ensure an adequate number of qualified resources are available to respond to emergencies.

The Companies continue to work with union leadership to implement these improvements. Additionally, the Companies continue to hold one-on-one coaching sessions, as needed, for employees performing below the respective company call out acceptance average, while recognition and positive reinforcement is being offered for those employees performing above the Company call out acceptance average.

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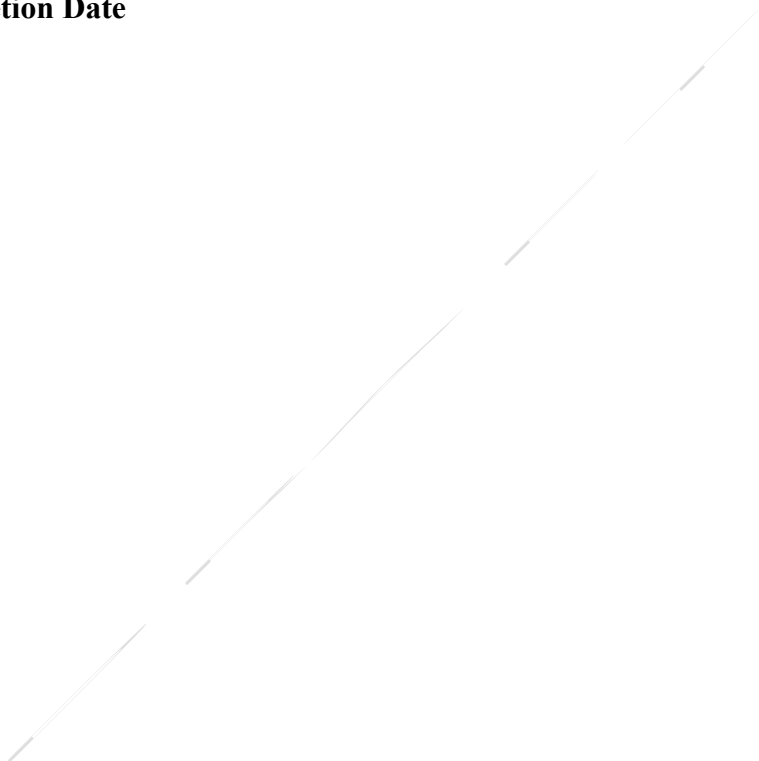
The Companies continue utilizing the enhancements described in the 2019 and 2020 progress reports. Additionally, the Companies implemented Labor Resource Planning in 2020 to standardize their labor resource planning process. This standardized planning process will enable an efficient use of internal field resources and improved resource sharing to provide a more accurate financial forecasting and identify any resource gaps.

Individual Responsible

Scott Wyman, President, Pennsylvania Operations

Expected Completion Date

Ongoing



**FirstEnergy Pennsylvania Companies
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Follow-up Recommendation VII-4

Conduct a best practice review of Penn Power's worst performing circuit rehabilitation strategy; implement changes across the FE-PA company footprint based on the review; and continue to coordinate with the PUC's Bureau of Technical Utility Services.

Response

Accepted

Action

The Companies will conduct a review of Penn Power's WPC rehabilitation strategy in order to identify any potential best practices and will implement these practices across the Companies' footprint based on the results of this evaluation.

Based on the Commission's Order dated March 30, 2015, each of the Companies completed in-depth analyses of their respective WPC performance. Using these analyses, each Company developed a WPC Plan that addressed circuits from its respective 5% WPC list as provided in their Annual Reliability Reports for two or more years from 2010 through 2014 with the objective of implementing remedial actions to improve circuits identified. Many of the circuits that appeared on the 5% WPC list for two or more years between 2010 and 2014 were circuits that had more exposure than an average circuit by being generally longer and located in areas that were difficult to access.

Met-Ed had identified eleven circuits which remained on the 5% WPC list within the Annual Reliability Report for two or more years for the 2010 through 2014 period. The top outage causes for these circuits included off right of way ("ROW") trees, and equipment and line failures. The focus for remediation of the WPCs was on accelerated and enhanced vegetation management, targeted circuit rehabilitation, porcelain cutout replacement, SCADA switch installation, and specific projects to create ties and split circuits. In addition, work completed through the LTIP contributes to remediation of the circuits. Through the projects completed as part of the WPC Plan, seven of the originally identified WPCs have ceased to appear on the 5% WPC list within the Annual Reliability Report for two or more years.

Penelec had recognized nineteen circuits which appeared on its 5% WPC list within the Annual Reliability Report for two or more years between 2010 and 2014. Penelec's top outage causes for these circuits included off ROW trees, and equipment and line failures. The WPC Plan for Penelec concentrated on accelerated and enhanced vegetation management, targeted circuit rehabilitation, porcelain cutout replacement, SCADA switch installation, modular substation construction, and other substation upgrades. In addition, work completed through the LTIP contributes to remediation of the circuits. As a result of the projects completed as part of its WPC Plan, five of the originally

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identified WPCs have ceased to appear on the 5% WPC list within the Annual Reliability Report for two or more years.

Penn Power did not detect any circuits appearing on its 5% WPC list within the Annual Reliability Report for two or more years between 2010 and 2014. However, Penn Power continued to monitor WPC performance to proactively target potential circuit deficiencies in the future. Based on this approach, Penn Power proactively identified a circuit that appeared on the 5% WPC list within the Annual Reliability Report two consecutive years. As a result of this performance, Penn Power completed a remediation project in 2017, which resulted in removing the circuit from the 5% WPC list within the Annual Reliability Report that year.

West Penn had identified six circuits which remained on its 5% WPC list within the Annual Reliability Report for two or more years between 2010 and 2014. The top outage causes of West Penn's WPCs included off ROW trees and weather-related outages. The target for remediation activities included vegetation management and the installation of additional circuit ties and reclosers. In addition, work completed through the LTIIP contributes to remediation of the circuits. As a result of the projects completed as part of its WPC Plan, all six of the originally identified WPCs have ceased to appear on the 5% WPC list within the Annual Reliability Report for two or more years for West Penn.

The Companies continue to monitor WPC performance to proactively target any potential future circuit deficiencies. While the Companies' plans are designed with the goal of removing circuits appearing for two or more years from the 5% WPC lists, this result may not be possible in all scenarios due to challenges with some circuits. In order to ensure that resources are effectively utilized to target remediation of the circuits, the Companies will continuously review their respective WPC Plans to determine the effectiveness of the identified projects and programs in relation to actual performance results. The Companies may re-prioritize, alter completion dates, and add or remove projects based on ongoing engineering analyses to maximize the reliability and operating benefits to their systems, while taking into consideration the overall impact to reliability improvement and the cost benefits to customers.

Monitoring

WPCs will continue to be monitored on a monthly basis by the Pennsylvania leadership team through the PMRs.

February 1, 2019 Progress Report

A team comprised of engineering representatives from each of the Companies and led by Penn Power was established to conduct a best practice review of Penn Power's worst performing circuit rehabilitation strategy. Specific best practices such as performing thermal scans on select circuits during historical peak loads, expanding off right-of-way tree removals on select circuits with high numbers of tree-related outages, and conducting reviews of "customers

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experiencing multiple interruptions” (“CEMI”) on all circuits are currently being evaluated. Each of the Companies are currently applying these best practices to some degree, which is providing meaningful results while being cost effective. This team is continuing to evaluate ways to help bring consistent practices across the Companies

The Companies also continue to monitor circuit performance. As an element of that responsibility, WPCs are monitored through the Pennsylvania Management Reports, which are closely reviewed by the Pennsylvania Executive Leadership Team (See Recommendation III-1).

The Companies will continue to report their progress regarding these implementation plans on an annual basis in their Quarterly and Annual Reliability Reports filed under 52 Pa. Code § 57.195 as directed by the Pennsylvania Public Utility Commission in its March 30, 2015 and November 5, 2015 management audit orders.

February 1, 2020 Progress Report

The review committed to and reported on in the Companies’ February 1, 2019 report was completed in January 2019. As such, while some implementation had begun by the time of that report, many best practices identified in the review were implemented across the Companies in the remainder of 2019, with standardization of these programs across the Companies where feasible. Apart from that implementation effort, the Companies’ monitoring of circuit performance is ongoing, including through the Pennsylvania Management Reports, which are reviewed by the Pennsylvania Executive Leadership Team (See Recommendation III-1). Further, the Companies continue to report their progress regarding these implementation plans on an annual basis in their Quarterly and Annual Reliability Reports filed under 52 Pa. Code § 57.195 as directed by the Pennsylvania Public Utility Commission in its March 30, 2015 and November 5, 2015 management audit orders.

February 1, 2021 Progress Report

The Companies continue to monitor circuit performance, including through the Pennsylvania Management Reports, which are reviewed by the Pennsylvania Executive Leadership Team (See Recommendation III-1). Further, the Companies continue to report their progress regarding implementation plans on an annual basis in their Quarterly and Annual Reliability Reports filed under 52 Pa. Code § 57.195 as directed by the Pennsylvania Public Utility Commission in its March 30, 2015 and November 5, 2015 management audit orders.

Individual Responsible

Scott Wyman, President, Pennsylvania Operations

Expected Completion Date

Ongoing

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Follow-up Recommendation IX-1

Continue participation in utility benchmarking studies to ensure inventory goals and practices are aligned with top quartile performing utilities.

Response

Accepted

Action

The Companies will participate annually in utility benchmarking studies, such as the Utilities Purchasing Management Group (“UPMG”), as appropriate. Inventory turnover goals will be updated annually as appropriate based on UPMG survey results.

February 1, 2019 Progress Report

In 2018, the Companies again participated with thirty-one other utilities in the UPMG survey. Similar to performance in 2012 through 2016, the Companies and their affiliates benchmarked in the top quartile for inventory dollars per customer and inventory dollars per line mile for 2017, improving from their previous standing in the third quartile to performing in the second quartile for their inventory turn-over rate.

February 1, 2020 Progress Report

In 2019, the Companies participated with twenty-seven utilities in the UPMG survey. Similar to performance in 2012 through 2017, the Companies and their affiliates benchmarked in the top quartile for inventory dollars per customer and inventory dollars per line mile for 2018. The Companies’ inventory turnover improved by 3.6 percent in 2018.

February 1, 2021 Progress Report

In 2020, the Companies participated with twenty-four utilities in the Utility Supply Chain Benchmarking Study. Similar to performance in 2012 through 2018, the Companies and their affiliates benchmarked in the top quartile for inventory dollars per customer and inventory dollars per line mile for 2019. The Companies’ inventory turnover continues to remain in the high third quartile. The Benchmarking Study has seen a reduction in the number of participants over the last two years. The Companies may want to identify a new benchmark for future progress reports.

Individual Responsible

Chris Trump, Director, Transmission and Distribution Warehousing and Materials Management

Expected Completion Date

Ongoing

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation XI-1

Continue to periodically review and improve upon the existing safety programs to attain performance consistent with established safety goals.

Response

Accepted

Action

In 2014 and 2016, the Companies conducted safety culture surveys in order to identify safety related concerns, perceptions and behaviors of employees. The results from these surveys continue to be utilized as foundational building blocks for safety initiatives, leader/worker interactions, and communications at the Companies. The focus areas resulting from the surveys were: 1) increase employee engagement; 2) build leadership skills and credibility; 3) improve communications; 4) improve employee recognition; and 5) continued focus on human performance principles and tools. The Companies implemented various actions, as detailed below, to target the focus areas and encourage a strong safety culture in the pursuit of an incident free work environment.

Human performance tools and concepts continue to be integrated into day-to-day work processes. These include methods such as error prevention tools, job briefings, reverse job briefings, questioning attitude, self-check, peer check and two-minute drills. These methods are applied during leader job site observations, safety meetings, investigations, coaching of employees, and other day-to-day work activities.

Investigations continue to be performed when an incident occurs, as well as all near misses that are reported are reviewed to identify the root cause. The Companies' review process includes a systematic approach in finding the apparent cause and corrective actions. Employee engagement is reinforced during this process by including the individual worker in the event review and in the development of causes and actions to prevent future incidents. Communications are also improved by raising safety awareness and sharing lessons learned.

The Companies continue to have annual safety kickoff meetings with employees. During these meetings, discussions are held with management teams and employees around safety performance, objectives, and initiatives for the upcoming year and beyond. Throughout the year, safety meetings continue in each of the Companies, providing employees updates regarding performance, reviews of incidents, and other safety related messages.

In efforts to reward safe work practices, the "President Award" is still presented to areas with exemplary safety performance and records. The accomplishments continue to be recognized by the VP, Utility Operations at the Corporate Labor/Management Safety

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Follow-up Recommendation XI-1

Committee Meetings.

The Companies also conduct local Labor/Management Safety Committee meetings, allowing employees to share safety concerns and work collaboratively through open dialogue and participation on teams to address those concerns. Through these efforts, employee engagement increases, and issues are resolved in a timely fashion.

For 2018, a new Key Performance Indicator was developed for safety on Life Changing Events (“LCEs”) This new indicator measures the total number of LCEs, which are considered life threatening work-related injuries or illnesses that require immediate life preserving rescue action, life altering work related injuries or illnesses that resulted in a permanent change or disables that person’s normal life activity. This is not a new safety program; rather, it is an increased focus on life changing events and what causes them.

In addition, the Companies are working with DEKRA, a well-established safety consultant and expert in the electric utility industry to assist in identifying areas for improvement with safety. DEKRA will be conducting safety observations at each of the Companies, and will also be identifying areas of exposure, aligning leadership practices with the desired culture, and recommending changes to our systems to more fully support our safety improvement efforts. DEKRA will be evaluating what causes exposure to safety hazards in the organization and help the Companies to better understand how to identify and mitigate those hazards.

February 1, 2019 Progress Report

The Companies continue their focus on the five areas identified from the survey results as cornerstones to promote a strong safety culture in the pursuit of an incident free work environment: 1) increase employee engagement; 2) build leadership skills and credibility; 3) improve communications; 4) improve employee recognition; and 5) continued focus on human performance principles and tools.

Safety kickoff meetings have been scheduled for all Companies to be held during the first quarter of 2019. During these meetings, the Companies’ management teams will visit with all employees for face-to-face discussions around safety performance, review objectives, and initiatives for the upcoming year and beyond.

The President’s Award will continue to be presented to areas with exemplary safety performance and records, as a means of employee recognition. The accomplishments continue to be recognized by the VP, Utility Operations at the Corporate Labor/Management Safety Committee Meetings. In 2018, approximately 1,900 employees across Companies were recognized with the President’s Safety Excellence Award.

Also, during 2018, a new Key Performance Indicator was developed for safety on LCEs. This new indicator measures the total number of LCEs, which are considered life threatening work-related injuries or illnesses that require immediate life preserving rescue action, life altering work related injuries or illnesses that resulted in a permanent change or

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Follow-up Recommendation XI-1

disables that person's normal life activity. This is not a new safety program; rather, it is an increased focus on life changing events and what causes them through the use of this new Key Performance Indicator. The Companies experienced no life changing events in 2018.

During 2018, DEKRA conducted field safety assessments of the Companies. Data from these assessments are currently being evaluated for use in developing additional performance improvement initiatives.

February 1, 2020 Progress Report

In 2019, the Companies implemented new performance improvement initiatives to continue working to achieve world-class safety. The evaluation of data from the 2018 DEKRA field safety assessments was completed and DEKRA Insight is being used to support safety leadership development by educating the leadership through individual coaching and safety workshops to help them model desired safety behaviors.

The Companies have implemented the Field Verification of Critical Control process that establishes the approach and methodology for interacting with field workers to proactively identify the presence of critical controls.

The Companies have also introduced Safety Roles and Responsibilities, which establish clear and consistent safety expectations for all levels of employees.

The FirstEnergy Utilities Safety & Human Performance organization was reorganized to consolidate all internal and contractor safety functions into one organization. A new group was also created in this consolidated organization to work specifically with public safety. This consolidated organization works closely with the Companies on a daily basis.

Also, in 2019, the Companies held the Tripartite Safety Forum which brought together a collaboration of employees, contractors, and building trades labor to partner in reducing exposures to hazards. Approximately 500 people attended the 2019 forum.

February 1, 2021 Progress Report

The Companies continue to embed Leading with Safety ("LWS") throughout the Companies' safety programs. The Companies are shifting from an initial leader and employee safety training and exposure control concept to a Safety Management System which cultivates job site exposure identification and mitigation in order to prevent life changing events. The comprehensive Safety Management System includes the Field Verification of Critical Control process, Business Unit Governance Teams enhancements, Contractor and Public Safety initiatives, as well as LWS refresher training.

The standard framework for life-changing event potential classification has been fully implemented throughout the Companies which will enable a consistent event review process that streamlines data analysis and identifies corrective actions to eliminate future life-changing events.

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The Companies' leaders serve as role models for safety and champion the safety vision. Leaders ensure that expectations are communicated to all employees, obstacles are removed, and concerns are addressed. Leaders are responsible for fostering a high-performing culture where all employees own, promote and reinforce safe behaviors.

Individual Responsible

Scott Wyman, President, Pennsylvania Operations

Expected Completion Date

Ongoing

FirstEnergy Pennsylvania Companies Management Efficiency Investigation Implementation Plan

Follow-up Recommendation XI-2

Continue efforts to reduce absenteeism through improved sick leave monitoring, counseling, and sharing of best practices.

Response

Accepted

Action

The Companies will continue to evaluate practices for enhanced sick time monitoring and counseling, which includes sharing of best practices to implement across the board. There are, however, inherent differences in the labor union contracts and past practices which can impact results across the Companies.

The Companies each have requirements that address sick time in their existing collective bargaining agreements, as well as policies that focus on attendance. Follow up actions associated with absenteeism are based on the work rules outlined in the respective collective bargaining agreements. In support of these agreements and policies, and in order to manage absenteeism, the Companies follow a process and procedure aimed at controlling overall absenteeism. The Companies will continue to follow the processes in place as defined below to encourage employee attendance.

Employee monitoring and verification: The Companies' Human Resources Departments evaluate available information related to absenteeism and history of recurrence and advise if and when additional information is required. Absences are tracked daily and both Human Resources and the employee's supervisor review the status and maintain regular contact with the employee. The information assists in supporting company policy and expectations as well as determining return to work status. The Companies also continue to monitor absenteeism for long term absences (defined as absences over >80 hours) and short-term absences (defined as absences <80 hours).

Employee Follow-up: The Companies review the initial contact information including reason for call-off, date unavailable for work, any physician information, anticipated return to work date and required follow-up call with the supervisor. The supervisor will complete the necessary follow-up call, notify the Companies' Human Resource Department, and complete required procedural forms. The Companies also request that the treating physician provide the employee's functional capabilities upon return to work.

Medical Case Management: The Companies determine utilization of case management and submits proper procedural documentation. Human Resources and Medical Case Management work directly with the employee and supervisor with the goal of a timely and safe return to full duty work.

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Follow-up Recommendation XI-2

February 1, 2019 Progress Report

The Companies continue to follow the processes in place to encourage employee attendance, as well as evaluate practices for enhanced sick time monitoring and counseling. In 2018, Corporate Human Resources also updated its Absence Management Process Standardization (“AMPS”) that is used at all Companies. AMPS is a guide to assist the Companies’ Human Resources and leadership to improve monitoring and reduce absenteeism. This process also encourages leadership to take a more proactive approach to absence management.

February 1, 2020 Progress Report

The Companies continue to follow the processes in place to encourage employee attendance, as well as evaluate practices for enhanced sick time monitoring and counseling. The Companies’ Human Resources meet with leadership to review absenteeism and identify drivers. Quarterly meetings are held to review data, discuss lessons learned, resolve challenges, and share best practices.

In addition, the Companies continue to negotiate with unions for the corporate Paid Time Off program as their contracts reach expiration.

February 1, 2021 Progress Report

The Companies continue to follow the processes in place to encourage employee attendance, as well as evaluate practices for enhanced sick time monitoring and counseling. In 2020, the Corporate Benefits department implemented bi-weekly status calls with the leave of absence vendors in order to better monitor short-term absences, identify and resolve claims/timekeeping issues and to ensure a smooth transition for employees when transferring from the short-term to a long-term absence program, or when returning back to work. Quarterly meetings continue to be held to review data, discuss lessons learned, resolve challenges, and share best practices. Additionally, efforts have been made to improve communications with employees, supervisors and human resource professionals from the leave of absence vendors. These efforts also included streamlining correspondence being sent to involved parties to ensure conciseness in the messaging. Lastly, the Companies continue to negotiate with unions for corporate Paid Time Off programs as their contracts reach expiration.

Individual Responsible

Scott Wyman, President, Pennsylvania Operations

Expected Completion Date

Ongoing