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May 1, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street, 2nd Floor Harrisburg, PA 17120

# RE: Pennsylvania Public Utility Commission v. FirstEnergy Pennsylvania Electric Company; Docket No. R-2024-3047068

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of the Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Intervenors ("WPPII"), in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

Marcison Ayan Block

Ryan Block MCNEES WALLACE & NURICK LLC

c: Katrina L. Dunderdale, Administrative Law Judge Certificate of Service

#### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

## VIA EMAIL

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Counsel to the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, and the West Penn Power Industrial Intervenors

Dated this 1st day of May, 2024, in Harrisburg, Pennsylvania.

### BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION	:	
	:	DOCKET NO. R-2024-3047068
v.	:	C-2024-3048673
	:	
FIRSTENERGY PENNSYLVANIA	:	
ELECTRIC COMPANY	:	

### PREHEARING MEMORANDUM OF THE MET-ED INDUSTRIAL USERS GROUP, PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND WEST PENN POWER INDUSTRIAL INTERVENORS

Pursuant to Administrative Law Judge Katrina Dunderdale's ("ALJ Dunderdale") April 25, 2024, Prehearing Order and 52 Pa. Code § 5.224(c), the Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Intervenors ("WPPII") (collectively, "Large User Groups") hereby submits this Prehearing Memorandum in the above-referenced proceeding.

#### I. HISTORY OF THE PROCEEDING

On April 2, 2024, FirstEnergy Pennsylvania Electric Company ("FE PA" or "Company") filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") Supplement No. 3 to Tariff Electric Pa. P.U.C. No. 1 to become effective on June 1, 2024. By this filing, FE PA is requesting proposed changes in rates, rules, and regulations calculated to produce an overall increase in rates of approximately \$502 million. FE PA supplemented this request with the Direct Testimony of several witnesses, responses to filing requirements, and documentation regarding the Company's proposals.

The Commission issued an Order on April 25, 2024, suspending Supplement No. 3 until January 1, 2025, and instituting an investigation into FE PA's rate increase request.

On April 24, 2024, the Large User Groups filed a Complaint in this proceeding. A

description of the Large User Groups is set forth in Paragraphs 5 through 7 of its Complaint.

A Prehearing Conference has been scheduled in this proceeding for May 2, 2024.

#### II. SERVICE LIST

For purposes of this proceeding, the Large User Groups will be represented by the

following counsel:

Susan E. Bruce (Pa. I.D. No. 80146) Charis Mincavage (Pa. I.D. No. 82039) Kenneth R. Stark (Pa. I.D. No. 312945) Harrison Ryan Block (Pa. I.D. No. 334653) MCNEES WALLACE & NURICK LLC 100 Pine Street P. O. Box 1166 Harrisburg, PA 17108-1166 Phone: (717) 237-5290 Fax: (717) 260-1744 sbruce@mcneeslaw.com cmincavage@mcneeslaw.com kstark@mcneeslaw.com

For purposes of the Prehearing Conference, Charis Mincavage will be the primary speaker.

## III. ANTICIPATED ISSUES AND SUB-ISSUES

The Large User Groups' preliminary review of the Company's filing indicates a need for

Commission investigation into at least the following issues:

- A. whether the size of the requested rate increases for the Rate Districts is appropriate;
- B. whether the expenses claimed by FE PA were prudently incurred;
- C. whether the proposed distribution/allocation of the increase among customer classes is just, reasonable, and non-discriminatory;
- D. whether the return on equity proposed by FE PA results in a fair rate of return;
- E. whether the rate structure and rate design proposed by FE PA are appropriate; and

F. whether FE PA's claimed costs of service are accurate, legitimate, and appropriately allocated.

The Large User Groups anticipate pursuing these issues during this proceeding and also reserve the right to raise and address other issues of concern upon further examination of the Company's filing and to respond to issues raised by other parties during the course of this proceeding.

#### IV. PROPOSED WITNESSES

The Large User Groups expects to sponsor testimony regarding the aforementioned issues by the following witness:

> Brian Andrews Brubaker & Associates, Inc. 16690 Swingley Ridge Road, Suite 140 Chesterfield, MO 63017 <u>bandrews@consultbai.com</u>

The Large User Groups reserves the right to modify or supplement this witness list during the course of this proceeding. In the event that Large User Groups decides to modify or supplement the witness list, it will inform the parties and the ALJ as soon as possible of the intended witnesses. The Large User Groups also intend to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses and the submission of briefs, exceptions and reply exceptions, if necessary.

#### V. PROPOSED SCHEDULE AND DISCOVERY RULES

The Large Users Groups have engaged in discussions with the other parties regarding scheduling and will cooperate with the parties and the ALJ at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

## VI. POSSIBILITY OF SETTLEMENT

The Large User Groups are willing to participate in discussions with the other parties to

amicably resolve the issues in this proceeding, subject to Commission approval.

Respectfully submitted, McNEES WALLACE & NURICK LLC

By Marcison Argan Block

Susan E. Bruce (Pa. I.D. No. 80146) Charis Mincavage (Pa. I.D. No. 82039) Kenneth R. Stark (Pa. Id. No. 312945) Harrison Ryan Block (Pa. I.D. No. 334653) 100 Pine Street P. O. Box 1166 Harrisburg, PA 17108-1166 Phone: (717) 237-5290 Fax: (717) 260-1744 sbruce@mcneeslaw.com cmincavage@mcneeslaw.com kstark@mcneeslaw.com

Counsel to the Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Intervenors ("WPPII")

Dated: May 1, 2024