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Senate of Pennsylvania

November 14, 2014

Pennsylvania Public Utility Commission
c/o Rosmary Chiavetta, Esquire
P. O. Box 3265
Harrisburg, PA 17105-3265

Re: Metropolitan Edison Company—Docket No. R-2014-2428745

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SECRETARY'S BUREAU

Dear Commissioners:

I am writing to express my concern over the rate plans recently submitted by the First Energy Corporation for its Pennsylvania Utilities, in particular its subsidiary, Metropolitan Edison Company, which provides service to much of my senatorial district. I am especially concerned about how rate increases proposed as part of this rate plan will impact my constituents.

In my Senatorial District, Met-Ed is requesting an overall rate increase of 11.5% to generate an additional \$151.3 million in operating revenues. For an "average" customer in my district using 1000kWh per month, the average bill will increase \$20.78 per month to \$137.34. That translates to a 17.8% increase for the average residential customer. In addition, as part of the request, the Company is proposing an increase in the residential customer charge from \$8.11 to \$13.29. Under the Company's proposal, yearly bills would increase from about \$1,400 to around \$1700, an increase of about \$300 annually.

While \$300 may not seem like a lot, when taken collectively with the increases most of us are facing for other necessities of life, such as gas, water, prescription medicines, insurance premiums, property taxes, and so on, this increase is not insignificant. This is especially true for senior citizens, the unemployed, and other people on fixed incomes. Most senior citizens do not have the ability to go out and find ways to supplement their income. Cost of living increases from Social Security and pensions are paltry at best. Consequently, every increase in their bills strains already limited budgets, and, it is not like they simply can give up using electricity to cope with this type of financial challenge. When you factor in the impact of severe winters, like the one we had last year, the increased use of electricity necessitated by prolonged cold spells could raise those bills even higher.

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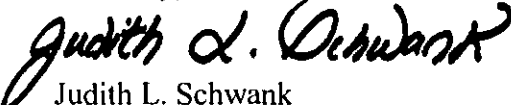
While the company proposes to provide additional assistance for lower income individuals as part of this rate plan and programs like the Low Income Home Energy Assistance Program (LIHEAP) may offer some help to those individuals who qualify, rates increases certainly reduce the impact of these help programs. Each day, especially during the winter months, my staff field calls from individuals who can't afford to meet their monthly electric bills. And while Met-Ed has been willing to work with my staff to try and help these individuals where possible, rate increases will likely increase the number of individuals who find themselves in need of help.

The impact this rate increase request will have on businesses, especially small businesses, must be considered as well. Just as with home budgets, many businesses are also struggling to stay afloat even as the economy makes moderate improvements. Significant increases in utility rates will slice further into their already thin margins. In this case, if the company's rate increase request is approved, a "typical" commercial customer using 40KW for 250 hours would see their bills increase 7.2%. Industrial customers would see increases of 2.1%. While these increases might not close businesses down, it will put them at competitive disadvantages, could cause business owners to reevaluate their existing operations, and even could give pause to new enterprises considering moving to the area. We certainly do not want that to happen.

Few us I believe would dispute the fact that a company has a right to charge reasonable rates and earn a fair rate of return for the services they provide. We need also to recognize that utilities incur significant costs to upgrade infrastructure to ensure safety and reliability. It is also worth noting that Met-Ed has been a good corporate citizen in and around Berks County. Nonetheless, any rate increases need to be fair and equitable to all impacted parties. It is especially relevant that our state Consumer Advocate in a formal complaint filed on September 5, 2014 with the Commission on this ratemaking matter contends that portions of the company's request may be ". . . unjust and unreasonable." While it is not in my purview to present the evidence and arguments upon which the Consumer Advocate is basing these assertions, these are factors that must be carefully considered in these proceedings.

Therefore, I respectfully urge the Commission to carefully review and consider the testimony and evidence presented by citizens and experts during this process and render a decision that is just, reasonable, and fair for all parties involved. Thank you.

Sincerely,



Judith L. Schwank
Senator—11th District

JLS/TG



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