

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Metropolitan Edison Company for :
Approval of a Distribution System Improvement : P-2015-2508942
Charge :

Office of Consumer Advocate :
 : C-2016-2531040
 :
v. :
 :
Metropolitan Edison Company :

Petition of West Penn Power Company for :
Approval of a Distribution System Improvement : P-2015-2508948
Charge :

Office of Consumer Advocate :
 : C-2016-2531019
 :
v. :
 :
West Penn Power Company :

Petition of Pennsylvania Electric Company for :
Approval of a Distribution System Improvement : P-2015-2508936
Charge :

Office of Consumer Advocate :
 : C-2016-2531060
 :
v. :
 :
Pennsylvania Electric Company :

Petition of Pennsylvania Power Company for :
Approval of a Distribution System Improvement : P-2015-2508931
Charge :

Office of Consumer Advocate

:
:
:
:
:

C-2016-2531054

v.

Pennsylvania Power Company

SCHEDULING ORDER #2

On June 9, 2016, the Pennsylvania Public Utility Commission (Commission) entered Orders separately approving petitions for a Distribution System Improvement Charge (DSIC) filed by Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), West Penn Power Company (West Penn) and Pennsylvania Power Company (Penn Power). In the Orders, the Commission determined that the petitions comply with the requirements of Act 11 of 2012 (Act 11) and the Commission's Final Implementation Order implementing Act 11. Implementation of Act 11 of 2012, Docket No. M-2012-2293611 (entered Aug. 2, 2012). The Commission found the petitions to be consistent with applicable law and Commission policy and allowed the tariffs to go into effect on July 1, 2016. The Commission, however, also referred the matters to the Office of Administrative Law Judge (OALJ) for hearing and preparation of a recommendation decision regarding various issues raised in response to the petitions.

As a result, on July 28, 2016, the Commission issued a Hearing Notice establishing an Initial Prehearing Conference for these cases for Wednesday, August 10, 2016 beginning at 10:00, 10:30, 11:00 and 11:30 a.m. in Hearing Room 5 of the Commonwealth Keystone Building in Harrisburg and assigning me as the Presiding Officer. Prehearing Conference Orders were issued in each proceeding on July 28, 2016 setting forth various rules that would govern the prehearing conferences.

Prior to the prehearing conferences, a discussion was held amongst the parties and the Presiding Officer regarding consolidating the four proceedings. Since no party objected to consolidation and common issues of law and fact were present, the proceedings were consolidated.

During the prehearing conference, the companies proposed that, in lieu of establishing a litigation schedule, the parties would schedule two or more settlement and/or technical conferences to be held between August 15, 2016 and September 15, 2016 and report back to the Presiding Officer on the status of negotiations by September 19, 2016. If the consolidated proceedings were not settled by that time, a second prehearing conference would be scheduled. The proposal was memorialized via a Scheduling Order dated August 12, 2016. The parties submitted several status reports and engaged in various settlement efforts culminating in the submission of a Joint Petition for Settlement of Pending Issues on February 2, 2017.

In the interim, the Commission issued an Opinion and Order on January 19, 2017 in the proceeding involving the companies' consolidated respective base rate filings. In that Opinion and Order, the Commission referred to this proceeding the contested issue concerning the Office of Consumer Advocate's (OCA) claim with regard to the calculation of the Accumulated Deferred Income Tax (ADIT) and the companies' DSIC riders interpreting the recently enacted Act 40. The Commission also transferred to this proceeding various parts of the record from the base rate proceeding that pertained to ADIT issues. The Commission noted that a Recommended Decision had not yet been issued in this proceeding and that there is adequate time to resolve the contested issue from the base rate proceeding within the context of this proceeding.

On February 21, 2017, at the request of the Presiding Officer, an off-the-record conference call amongst the parties and the Presiding Officer was held. During that call, it was determined that, in light of the submission of the settlement of the original issues raised in this proceeding on February 2, 2017, a further prehearing conference should be convened on March 6, 2017 to discuss how to address the ADIT issue referred to this case in the Commission's January 19, 2017 Opinion and Order.

As a result, on February 21, 2017, the Office of Administrative Law Judge issued a hearing notice establishing a further prehearing conference for this case for Monday, March 6, 2017, at 10:00 a.m. in hearing room 4 of the Commonwealth Keystone Building in Harrisburg.

In anticipation of the further prehearing conference, a further prehearing conference order was issued dated February 22, 2017.

The further prehearing conference convened on March 6, 2017, as scheduled. The following counsel appeared: Anthony DeCusatis, Esquire and John Munsch, Esquire, on behalf of the companies; Erin Gannon, Esquire, on behalf of the OCA; Daniel Asmus, Esquire, on behalf of the Office of Small Business Advocate (OSBA); and, Alessandra Hylander, Esquire, on behalf of the industrial users groups for each company. Each of these parties previously submitted further prehearing conference memoranda as requested in the further prehearing conference order.

During the hearing, the parties agreed to a procedural schedule for the purpose of addressing the contested issue raised by the OCA with regard to the calculation of the ADIT and the companies' DSIC riders interpreting the recently enacted Act 40. The parties agreed as follows:

OCA Supplemental Direct Testimony	March 21, 2017
All parties' Supplemental Rebuttal Testimony	April 13, 2017
All parties' Supplemental Surrebuttal Testimony	May 1, 2017
Companies' Supplemental Rejoinder Testimony	May 5, 2017
Hearings in Harrisburg	May 12, 2017

The parties also agreed that the modifications to the Commission's discovery procedures agreed to in the initial prehearing conference will remain in effect for this portion of the proceeding.

The purpose of this order is to memorialize those issues agreed to in the further prehearing conference. In addition, the parties are reminded that Commission policy promotes settlements. 52 Pa. Code §5.231(a). The parties are encouraged to commence settlement discussions as early as possible. Even if the parties are unable to settle this case, they may still resolve some of the questions or issues during their discussions. If the parties reach an

agreement on all issues, a formal hearing will not be necessary and the scheduled hearing will be cancelled. The parties are reminded, however, that decisions of the Commission must be supported by substantial evidence. 2 Pa. C.S. § 704. Substantial evidence is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. Any settlement submitted for approval must be supported by substantial evidence.

ORDER

THEREFORE,

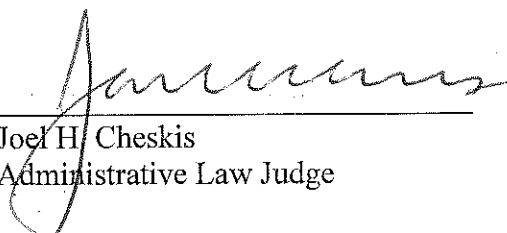
IT IS ORDERED:

1. That the following schedule is adopted for this proceeding:

OCA Supplemental Direct Testimony	March 21, 2017
All parties' Supplemental Rebuttal Testimony	April 13, 2017
All parties' Supplemental Surrebuttal Testimony	May 1, 2017
Companies' Supplemental Rejoinder Testimony	May 5, 2017
Hearings in Harrisburg	May 12, 2017

2. That all other aspects of the Scheduling Order dated August 12, 2016 remain in effect.

Date: March 6, 2017


Joel H. Cheskis
Administrative Law Judge

Petition of

P-2015-2508931 - PENNSYLVANIA POWER COMPANY

P-2015-2508936 - PENNSYLVANIA ELECTRIC COMPANY

P-2015-2508942 - METROPOLITAN EDISON COMPANY

P-2015-2508948 - WEST PENN POWER COMPANY

FOR APPROVAL OF ITS LONG-TERM INFRASTRUCTURE IMPROVEMENT PLAN.

Revised 2/23/17

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C-2015-2531060 Penelec

C-2015-2531040 MetEd

C-2016-2531019 West Penn Power

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