

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105**

**Petitions of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Modification of their Long-Term Infrastructure Improvement Plans (LTIIPs)**

**Public Meeting: May 23, 2019  
2508942-TUS  
Docket No. P-2015-2508942, et al.**

**STATEMENT OF COMMISSIONER ANDREW G. PLACE**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition by Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn) (collectively the Companies or FirstEnergy) for the approval of their Long Term Infrastructure Improvement Plans (LTIIPs).

Under its Petition, FirstEnergy, through the Modified LTIIPs, noted it will move capital expenditures currently planned for 2020 into 2019 and will also further supplement those amounts with additional capital. Total capital expenditures will be increased by \$84.84 million, or 138%. FirstEnergy will also be filing new LTIIPs for each of the operating companies no later than 120 days prior to the expiration of the aforementioned Modified LTIIPs. The new LTIIPs will be filed no later than September 2019, and those LTIIPs would span a 5 year period from 2020 through 2024.

FirstEnergy's effort to quantify reliability benefits should be commended. However, I suggest that these SAIFI and SAIDI<sup>1</sup> parameters be updated annually, in a cumulative fashion, as opposed to waiting until the end of a LTIIP plan period, as suggested by the Companies. While there are benefits to lengthening the post-implementation observation period used to evaluate benefits of various programs, as suggested by the Companies, I suggest the Companies pursue all efforts to gather and present the data to the Commission and stakeholders at least annually, understanding that the measurement of program benefits will improve over time.

The Companies provided spending detail on the number of projects or units for each of their programs for each operating division. For Met-Ed, its "Pole Reinforcement" and "Splitting of large circuits" programs appear to be relatively cost-effective measures. To the extent these two programs are not absorbed into the "Line Rehabilitation" or "Create Circuit Ties and Loops" programs, I encourage Met-Ed to examine those programs for further potential.

For Penelec, I recommend that the cost and/or analysis assumptions applied in the Company's "Customer Service Improvements" and "Creation of Circuit Ties and Loops"

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<sup>1</sup> System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI).

programs be closely examined. Data provided in this filing demonstrates high costs relative to other reliability improvement program opportunities. Conversely, Penelec is encouraged to examine opportunities for more cost-effective SCADA applications. Given historical performance, it is not clear that the proposed LTIP program will be sufficient to ensure that Penelec is in compliance with required reliability performance metrics. Therefore, I recommend that Penelec management continue to seek additional performance enhancing programs. Lastly, an effort should be made to quantify reliability impacts of its "Split Large Circuits" program in future years, as was accomplished with Met-Ed.

Concerning Penn Power, its "Upgrade Lateral Protection" and "Wood Pole Replacement/Reinforcement" programs appear to be particularly cost effective. The data provided suggests that additional cost-effective opportunities (or upgraded benefit analysis) should be investigated in these two programs.

Regarding West Penn Power, I note that its SAIFI benefits do not add up to a projected increase of 0.063, but rather to 0.0571. I recommend that the Company update this chart. Unlike other FirstEnergy Companies, West Penn Power has an extensive number of programs where spending exceeds \$2 million, yet there is no information on projected reliability benefits, including "Line Rehabilitation – Sub Transmission," "Overcurrent Protection and Capacity Review," "Recloser Install/Replacement – Automation Preparation," "Sub Transmission Protection and Controls," "System Reliability Improvement Projects – Automation Preparation – Line," "System Reliability Improvement Projects – Automation Preparation – Substation and Wood Pole Replacement programs." Lastly, West Penn Power's cost estimates for its "Sub Transmission Modernization and Automation" program appear to be far costlier than other reliability improvement programs. I encourage West Penn Power to review the costs and benefits of this program.

**DATE: May 23, 2019**

  
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**Andrew G. Place, Commissioner**