

Teresa K. Harrold, Esq.
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January 6, 2020

VIA ELECTRONIC FILING

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


Re: Interstate Gas Supply, Inc. d/b/a IGS Energy, Direct Energy Services LLC and Shipley Choice, LLC d/b/a Shipley Energy v. Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company; Docket Nos. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808

Dear Secretary Chiavetta:

Enclosed please find the Answer of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company to the Joint Motion to Dismiss Objections and Compel Responses to Interrogatories and Requests for Production of Documents of Interstate Gas Supply, Inc. d/b/a IGS Energy, Direct Energy Services LLC and Shipley Choice, LLC d/b/a Shipley Energy. This document has been served on the Complainants as shown in the Certificate of Service.

Please contact me if you have any questions regarding this matter.

Very truly yours,



Teresa K. Harrold

kbw
Enclosures

c: As Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

INTERSTATE GAS SUPPLY, INC. D/B/A	:	
IGS ENERGY, DIRECT ENERGY	:	
SERVICES LLC AND SHIPLEY CHOICE,	:	
LLC D/B/A-SHIPLEY ENERGY	:	
	:	Docket No. C-2019-3013805
v.	:	C-2019-3013806
	:	C-2019-3013807
METROPOLITAN EDISON COMPANY,	:	C-2019-3013808
PENNSYLVANIA ELECTRIC	:	
COMPANY, PENNSYLVANIA POWER	:	
COMPANY, AND WEST PENN POWER	:	
COMPANY	:	

ANSWER OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY TO THE JOINT MOTION TO DISMISS OBJECTIONS AND COMPEL RESPONSES TO INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS OF INTERSTATE GAS SUPPLY, INC. D/B/A IGS ENERGY, DIRECT ENERGY SERVICES LLC AND SHIPLEY CHOICE, LLC D/B/A SHIPLEY ENERGY

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

AND NOW, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively, the “Companies”), by and through Tori L. Giesler and Teresa K. Harrold, submit the following Answer to the Joint Motion to Dismiss Objections and Compel Responses to Interrogatories and Requests for Production of Documents (“Motion”) of Interstate Gas Supply, Inc. d/b/a IGS Energy, Direct Energy Services LLC and Shipley Choice, LLC d/b/a Shipley Energy (collectively, the “Complainants”), pursuant to Section 5.342 of the Pennsylvania Public Utility Commission's ("Commission") regulations.¹ For the reasons set forth below and in the Companies’ Objections,² the Complainants’ Motion should be dismissed and the Companies’ Objections should be granted.

¹ 52 Pa. Code § 5.342(g)(1).

² The Companies’ Objections are attached in Appendix A.

I. ANSWER

SUMMARY OF ARGUMENT

The Complainants' Motion requests that Administrative Law Judge Cheskis require the Companies to provide information related to their affiliates in other states and holding company, FirstEnergy Corp., all of which is irrelevant for purposes of this complaint proceeding and outside the scope of the Commission's jurisdiction. Despite the Companies providing comprehensive responses to the Complainants' Set I Interrogatories and Requests for Production of Documents as they relate to the Companies,³ the Complainants continue to seek this clearly objectionable information.⁴ The Motion should be denied.

A. The Motion improperly seeks information that is irrelevant, outside the scope of this proceeding, and beyond the Commission's jurisdiction, and must be denied.

Information related to the Companies' affiliates in other states and the Companies' holding company, FirstEnergy Corp., is irrelevant and outside the scope of this complaint proceeding. "A party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action...."⁵ The information sought by the Complainants is irrelevant to the subject matter of this proceeding because it relates to entities outside of the Commission's jurisdiction and beyond the scope of the Formal Complaint. Accordingly, the Complainants' discovery requests related to these entities are wholly improper.

Formal complaints filed at the Commission must allege an "act or thing done or omitted to be done by any public utility in violation, or claimed violation, of any law which the commission

³ The Companies' discovery responses are attached hereto in Appendix B.

⁴ The Companies and the Complainants spoke throughout the week of December 23 in an effort to resolve the Motion, but the Complainants were unwilling to withdraw their Motion.

⁵ 52 Pa. Code § 5.321(c).

has jurisdiction to administer, or of any regulation or order of the commission.”⁶ The definition of “public utility” explicitly applies only to companies that offer utility service to the public within the Commonwealth of Pennsylvania.⁷ As Pennsylvania electric distribution companies, the Companies are subject to the Commission’s jurisdiction. However, the Companies’ affiliates in other states and holding company are not subject to Commission regulation.⁸ A customer cannot file a complaint at the Commission against out-of-state electric utilities or the holding company of Pennsylvania utilities, and their actions are outside the scope of any complaint proceeding. Therefore, information related to the Companies’ affiliates and holding company is irrelevant and may not be sought through discovery in this proceeding.

Furthermore, by requesting information related to the Companies’ out-of-state affiliates and holding company as part of discovery, the Complainants are seeking to obtain information that is outside of the Formal Complaint that began this proceeding. The Formal Complaint was filed against Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, all of whom are Pennsylvania electric distribution companies subject to the jurisdiction of the Pennsylvania Public Utility Commission.⁹ Information related to the actions of the Companies’ out-of-state affiliates and holding company is in no way relevant to the subject matter of the Formal Complaint. Consistent with 52 Pa. Code § 5.321(c), it is inappropriate for the Complainants to use discovery procedures to obtain information that is both beyond the scope of the Formal Complaint and the jurisdiction of the Commission.

⁶ 66 Pa.C.S. § 701; 52 Pa. Code § 5.21(a).

⁷ See 66 Pa.C.S. § 102.

⁸ In fact, efforts to regulate out-of-state entities or transactions may violate the Commerce Clause. See, e.g., 66 Pa.C.S. § 104.

⁹ Formal Complaint, p. 1.

To the extent it is the Complainants' position that the Companies' affiliates and holding company have some connection to the Companies' product and service offerings, the Answer and New Matter clearly establishes otherwise. As part of the Answer and New Matter, the Companies explain that they bill customers for their own products and services only, and "do not offer non-commodity billing service to a third party or affiliate."¹⁰ Any contention by the Complainants that the Motion was submitted to obtain relevant information related to the Companies is undermined by the fact that the Complainants are already aware the Companies' affiliates and holding company have no relationship to this proceeding.

All relevant information was provided by the Companies in response to the Complainants' Set I Interrogatories and Requests for Production of Documents on December 30, 2019, which are attached hereto as Appendix B. The Motion specifically seeks information related to the Companies' billing and termination practices. The Companies answer each of the Complainants' discovery requests as they relate to the Companies' operations, including extensive descriptions of their billing platform and procedures and supporting documentation. The Companies also provide a copy of the service agreement that allows FirstEnergy Service Company to provide billing and other administrative and management services to the Companies. The Companies provided this agreement because it is relevant to the Companies' billing procedures. The only outstanding information sought by the Complainants relates to the Companies' affiliates in other states and holding company that is entirely irrelevant to the Companies. Accordingly, the Motion should be denied in its entirety.

¹⁰ Answer and New Matter, p. 6.

B. The Companies' Objections should be granted, and the Complainants' claims related to timeliness should be disregarded.

The Complainants further challenge the Companies' Objections on the basis that they were late-filed.¹¹ Although the Companies timely submitted their Objections, they re-submitted their Objections two business days later after determining that the Objections were not restated on separate pages referring to each objectionable interrogatory. This administrative error resulted in no prejudice to the Complainants, who timely received the entire substance of the Companies' Objections. The Judge should disregard this administrative error and grant the Companies' Objections.

The Companies submitted the following timely Objections to the Complainants' discovery on December 19, 2019:

The Companies object to this request to the extent that it seeks information regarding the Companies' holding company, FirstEnergy Corp., and the Companies' affiliate utilities located in other states, which are outside the scope of this proceeding and jurisdiction of the Pennsylvania Public Utility Commission. Moreover, none of these entities are parties within the context of the Answer and New Matter in this proceeding.

However, the Companies inadvertently failed to restate these Objections on separate pages referring to each of the Complainants' objectionable interrogatories. Accordingly, the Companies re-submitted their Objections on December 23, 2019, two business days after the original Objections were served. The only difference between the December 19, 2019 Objections and the December 23, 2019 Objections is that the latter restates the same objections on multiple pages referring to each objectionable interrogatory.

Under the Commission's regulations, the Administrative Law Judge "may at any stage of an action or proceeding may disregard an error or defect of procedure which does not affect the

¹¹ Motion, p. 3.

substantive rights of the parties.”¹² In addition, under the Commission’s discovery rules, the Administrative Law Judge has the authority to modify discovery deadlines as part of a Commission proceeding.¹³ In this case, the prehearing conference has yet to be held, and the parties have not yet had an opportunity to propose discovery rules. Finally, Commission precedent demonstrates that where a party is not prejudiced, the Commission should not favor form over substance when adjudicating a discovery dispute.¹⁴

Here, the Companies’ error was administrative in nature and resulted in no prejudice to the Complainants. The Complainants timely received the entire substance of the Companies’ Objections on December 19, 2019, resulting in no delay to the Complainants’ ability to prepare this Motion.¹⁵ Further, the Companies timely provided comprehensive discovery responses to the Complainants. Pursuant to the Commission’s regulations and precedent, Administrative Law Judge Cheskis should disregard this administrative error and grant the Companies’ Objections based on their merit.

II. RESPONSES TO NUMBERED PARAGRAPHS OF MOTION TO COMPEL

1. Admitted in part and denied in part. It is admitted that the Complainants filed their Formal Complaint on October 25, 2019. For the reasons outlined in the Companies’ Answer and New Matter, all remaining statements in this paragraph are denied.

2. Admitted.

3. Admitted.

4. Admitted.

¹² 52 Pa. Code § 1.2(a).

¹³ See 52 Pa. Code § 5.342.

¹⁴ *Application of Special Event EMS, Inc.*, Docket Nos. A-2014-2429869 and A-2014-2429905 (Order entered Jan. 29, 2015).

¹⁵ The Complainants also had a full week to prepare and file this Motion after the revised Objections were submitted on December 23, 2019.

5. Admitted.

6. Admitted in part and denied in part. It is admitted that the Companies re-submitted their Objections on December 23, 2019 to correct an administrative error. Specifically, they re-stated their earlier Objections on separate pages referring to each objectionable interrogatory. As explained in Section I.B. above, no prejudice was caused to the Complainants by this correction. Pursuant to the Commission's regulations and precedent, the Administrative Law Judge should disregard this error and grant the Companies' Objections based on their merit. The remaining statements in this paragraph are denied as they represent unsubstantiated opinions of the Complainants.

7. Admitted in part and denied in part. It is admitted that the Complainants restated the objectionable Interrogatory Nos. 2, 5, and 6. It is denied that that the Companies' Objections were submitted untimely as the Complainants received the entire substance of the Companies' Objections on December 19, 2019.

8. Denied. Counsel for the Companies and Counsel for the Complainants discussed this Motion by phone on December 30, 2019 and December 31, 2019, and by email on January 2, 2020. Despite receiving comprehensive discovery responses on December 30, 2019, the Complainants were unwilling to withdraw their Motion.

9. Denied. The Objections to the Complainants' discovery requests are standard evidentiary objections. Specific legal authority supporting the Companies' Objections is outlined in Section I. above. Information related to the Companies' out-of-state affiliates and holding company does not fall within the scope of 52 Pa. Code § 5.321.

10. Denied. The Commission's regulations do not require parties to object to discovery instructions. The Companies' Objections to the Complainants' Interrogatory Nos. 1, 2, 5, and 6 clearly establish the Companies' disagreement with instruction 13.

11. Admitted in part and denied in part. It is admitted that this paragraph includes a portion of the Commissions' regulations at 52 Pa. Code § 5.342(c). It is denied that the Companies' Objections do not conform with 52 Pa. Code § 5.342(c).

12. Denied. Consistent with 52 Pa. Code § 5.342, the Companies' Objections provide sufficient detail for the Complainants to understand and respond to them. The Companies' Objections specifically refer to references within the interrogatories of "FirstEnergy" and "affiliates" that could be interpreted as applying to out-of-state affiliates or the Companies' holding company, which are clearly outside the scope of the Formal Complaint and beyond the Commission's jurisdiction.

13. Denied. Neither the Companies' holding company nor the Companies' out-of-state affiliates are the subject of the Formal Complaint, nor could they be the subject of a formal complaint at the Commission. In their Answer and New Matter, the Companies explain that "the Companies do not offer non-commodity billing service to a third party or affiliate."¹⁶ Billing practices of out-of-state entities that have no relevance to the Companies are outside the scope of this proceeding and not discoverable. The Companies already provided a comprehensive response to Set I, Interrogatory No. 1, and the Companies' Objections related to this request should be granted.

14. Denied. The Companies already provided a comprehensive response to Set I, Interrogatory No. 2, including a discussion of their shared billing platform and associated costs.

¹⁶ Answer and New Matter, p. 6.

Billing practices of out-of-state entities that have no relevance to the Companies are outside the scope of this proceeding and not discoverable. The Companies' Objections related to this request should be granted.

15. Denied. The Companies already provided a comprehensive response to Set I, Interrogatory No. 5. Termination practices of out-of-state entities that have no relevance to the Companies are outside the scope of this proceeding and not discoverable. The Companies' Objections related to this request should be granted.

16. Denied. The Companies already provided a comprehensive response to Set I, Interrogatory No. 6. Billing practices of out-of-state entities that have no relevance to the Companies are outside the scope of this proceeding and not discoverable. The Companies' Objections related to this request should be granted.

17. Based on the foregoing, the actions and procedures of the Companies' out-of-state affiliates and holding company are clearly beyond the scope of this proceeding and not discoverable. The Companies already provided comprehensive discovery responses explaining their billing practices related to products and services to the Complainants. No relevant information remains outstanding. Accordingly, the Commission should dismiss the Motion and grant the Companies' Objections.

WHEREFORE, Administrative Law Judge Cheskis should deny the Joint Motion to Dismiss Objections and Compel Responses to Interrogatories and Requests for Production of Documents of Interstate Gas Supply, Inc. d/b/a IGS Energy, Direct Energy Services LLC and Shipley Choice, LLC d/b/a Shipley Energy, and grant the Objections of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company.

Respectfully submitted,

Dated: January 6, 2020



Tori L. Giesler
Attorney No. 207742
Teresa Harrold
Attorney No. 311082
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, Pennsylvania 19612-6001

Counsel for Metropolitan Edison Company.
Pennsylvania Electric Company
Pennsylvania Power Company and
West Penn Power Company

APPENDIX A

Teresa K. Harrold, Esq.
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(330) 315-9263 (Fax)

December 19, 2019

VIA FIRST CLASS MAIL

Todd S. Stewart
Hawke, McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

Re: Interstate Gas Supply, Inc. d/b/a IGS Energy, Direct Energy Services LLC and Shipley Choice, LLC d/b/a Shipley Energy v. Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company; Docket Nos. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808

Dear Attorney Stewart:

Attached please find the Objections of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company to Set I, Interrogatory No. 1 of Interstate Gas Supply, Inc., Direct Energy Services LLC, and Shipley Choice, LLC in the above-referenced matter. This document has been served as shown in the Certificate of Service.

Please contact me if you have any questions.

Very truly yours,

Teresa K. Harrold /KBW

Teresa K. Harrold

Enclosures

cc: As Per Certificate of Service
Rosemary Chiavetta, Esq., Public Utility Commission (Cover Letter and Certificate of service via electronic filing)

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Objection to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 1

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808**

**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 1**

With regard to FirstEnergy's Answer and New Matter, ¶ 5, and its denial that "changes to the companies' billing systems to allow for non-commodity product and service charges by third parties would not be significant."

- a. Provide all studies, investigations, cost assessments internal work products or similar analysis that were undertaken by FirstEnergy, its affiliates or any third party on behalf of same, to ascertain the scope of work or costs that would be required to modify the FirstEnergy billing system to accommodate billing for non-commodity products and services.
- b. Has FirstEnergy provided on-bill billing for EGSs within the last 10 years in any jurisdiction (i.e., within or outside Pennsylvania) in which it operates? If the answer is yes, identify the EGS, the jurisdiction(s) and provide copies of any agreements or other documents related to the provision of such billing service.
- c. Does FirstEnergy or any of its affiliates in any jurisdiction (i.e., within or outside the Commonwealth) provide or have provided on-bill billing for any non-EGSs in the last 10 years? If the answer is yes, please identify each and every non-EGS, the jurisdiction(s) and provide copies of any agreements or other documents related to the provision of such billing service.

OBJECTION:

The Companies object to this request to the extent that it seeks information regarding the Companies' parent company, FirstEnergy Corp., and the Companies' affiliate utilities located in other states, which are outside the scope of this proceeding and jurisdiction of the Pennsylvania Public Utility Commission. Moreover, none of these entities are parties within the context of the Answer and New Matter in this proceeding.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

INTERSTATE GAS SUPPLY, INC. D/B/A	:	
IGS ENERGY, DIRECT ENERGY	:	
SERVICES LLC AND SHIPLEY CHOICE,	:	Docket No. C-2019-3013805
LLC D/B/ A SHIPLEY ENERGY	:	C-2019-3013806
v.	:	C-2019-3013807
	:	C-2019-3013808
METROPOLITAN EDISON COMP ANY,	:	
PENNSYLVANIA ELECTRIC COMPANY,	:	
PENNSYLVANIA POWER COMPANY,	:	
AND WEST PENN POWER COMPANY	:	

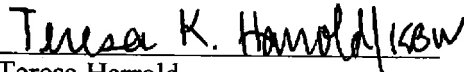
CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Objections of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company to Set I, Interrogatory No. 1 of Interstate Gas Supply, Inc., Direct Energy Services LLC, and Shipley Choice, LLC upon the individual listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by electronic and First Class Mail, postage prepaid, as follows:

Todd S. Stewart
Hawke, McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

Dated: December 19, 2019


Teresa Harrold
Tori L. Giesler
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Teresa K. Harrold, Esq.
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December 23, 2019

VIA FIRST CLASS MAIL

Todd S. Stewart
Hawke, McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

Re: Interstate Gas Supply, Inc. d/b/a IGS Energy, Direct Energy Services LLC and Shipley Choice, LLC d/b/a Shipley Energy v. Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company; Docket Nos. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808

Dear Attorney Stewart:

Attached please find the Objections of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company to the Interrogatories and Requests for Production of Interstate Gas Supply, Inc., Direct Energy Services LLC, and Shipley Choice, LLC, Set I, in the above-referenced matter. The Companies inadvertently failed to include all objection sheets in their prior distribution. However, the objection remains the same with regard to all questions.

This document has been served as shown in the Certificate of Service. Please contact me if you have any questions.

Very truly yours,



Teresa K. Harrold

Enclosures

cc: As Per Certificate of Service
Rosemary Chiavetta, Esq., Public Utility Commission (Cover Letter and Certificate of service via electronic filing)

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Objection to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 1

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808**

**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 1**

With regard to FirstEnergy's Answer and New Matter, ¶ 5, and its denial that "changes to the companies' billing systems to allow for non-commodity product and service charges by third parties would not be significant."

- a. Provide all studies, investigations, cost assessments internal work products or similar analysis that were undertaken by FirstEnergy, its affiliates or any third party on behalf of same, to ascertain the scope of work or costs that would be required to modify the FirstEnergy billing system to accommodate billing for non-commodity products and services.
- b. Has FirstEnergy provided on-bill billing for EGSs within the last 10 years in any jurisdiction (i.e., within or outside Pennsylvania) in which it operates? If the answer is yes, identify the EGS, the jurisdiction(s) and provide copies of any agreements or other documents related to the provision of such billing service.
- c. Does FirstEnergy or any of its affiliates in any jurisdiction (i.e., within or outside the Commonwealth) provide or have provided on-bill billing for any non-EGSs in the last 10 years? If the answer is yes, please identify each and every non-EGS, the jurisdiction(s) and provide copies of any agreements or other documents related to the provision of such billing service.

OBJECTION:

The Companies object to this request to the extent that it seeks information regarding the Companies' parent company, FirstEnergy Corp., and the Companies' affiliate utilities located in other states, which are outside the scope of this proceeding and jurisdiction of the Pennsylvania Public Utility Commission. Moreover, none of these entities are parties within the context of the Answer and New Matter in this proceeding.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Objection to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 2

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808**

**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 2**

With regard to FirstEnergy's Answer and New Matter ¶ 19, and the contention that billing for FirstEnergy's products and services is "perfectly reasonable"; provide a copy of any affiliated interest agreements between FirstEnergy and its Pennsylvania affiliates regarding said practice. Provide the following:

- a. The development costs of adapting FirstEnergy's billing system to allow it to bill non-commodity products and services;
- b. If the option to provide non-commodity billing was not an "add-on" to the FE billing system, (i.e., was included in the initial specifications) provide any and all cost estimates or proposals that identify the development and implementation costs of including the non-commodity billing functionality;
- c. The annual operation and maintenance costs incurred by any FirstEnergy entity to operate the billing system for the previous 5 years, and any portion of its billing system that bills non-commodity products and services, broken down by month and by EDC; and
- d. Does FirstEnergy or any of its Pennsylvania affiliates intentionally terminate customers' electricity service for failure to pay any non-commodity charges?

OBJECTION:

The Companies object to this request to the extent that it seeks information regarding the Companies' parent company, FirstEnergy Corp., and the Companies' affiliate utilities located in other states, which are outside the scope of this proceeding and jurisdiction of the Pennsylvania Public Utility Commission. Moreover, none of these entities are parties within the context of the Answer and New Matter in this proceeding.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Objection to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 5

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808**

**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 5**

With regard to FirstEnergy's Answer and New Matter ¶ 22, has FirstEnergy or any of its affiliates ever terminated electric service to a customer for failing to pay non-commodity charges on their utility bill? Describe each and every incident in the most recent 5 years including the date of any termination, the service territory and the duration of the termination.

OBJECTION:

The Companies object to this request to the extent that it seeks information regarding the Companies' parent company, FirstEnergy Corp., and the Companies' affiliate utilities located in other states, which are outside the scope of this proceeding and jurisdiction of the Pennsylvania Public Utility Commission. Moreover, none of these entities are parties within the context of the Answer and New Matter in this proceeding.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Objection to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 6

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808**

**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 6**

Does FirstEnergy or any of its affiliates allow charges for non-commodity products and services to be paid using budget billing? If the answer is anything but "No", explain how such charges are separated from regulated charges, and describe the mechanism for ensuring that customers are not terminated for failing to pay charges for non-commodity charges in that context?

OBJECTION:

The Companies object to this request to the extent that it seeks information regarding the Companies' parent company, FirstEnergy Corp., and the Companies' affiliate utilities located in other states, which are outside the scope of this proceeding and jurisdiction of the Pennsylvania Public Utility Commission. Moreover, none of these entities are parties within the context of the Answer and New Matter in this proceeding.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

INTERSTATE GAS SUPPLY, INC. D/B/A	:	
IGS ENERGY, DIRECT ENERGY	:	
SERVICES LLC AND SHIPLEY CHOICE,	:	Docket No. C-2019-3013805
LLC D/B/ A SHIPLEY ENERGY	:	C-2019-3013806
v.	:	C-2019-3013807
	:	C-2019-3013808
METROPOLITAN EDISON COMP ANY,	:	
PENNSYLVANIA ELECTRIC COMPANY,	:	
PENNSYLVANIA POWER COMPANY,	:	
AND WEST PENN POWER COMPANY	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Objections of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company to the Interrogatories and Requests for Production of Interstate Gas Supply, Inc., Direct Energy Services LLC, and Shipley Choice, LLC, Set I, upon the individual listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by electronic and First Class Mail, postage prepaid, as follows:

Todd S. Stewart
Hawke, McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

Dated: December 23, 2019



Teresa Harrold
Tori L. Giesler
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2800 Pottsville Pike
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(610) 921-6658
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APPENDIX B

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 1

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808**

**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 1**

With regard to FirstEnergy's Answer and New Matter, ¶ 5, and its denial that "changes to the companies' billing systems to allow for non-commodity product and service charges by third parties would not be significant."

- a. Provide all studies, investigations, cost assessments internal work products or similar analysis that were undertaken by FirstEnergy, its affiliates or any third party on behalf of same, to ascertain the scope of work or costs that would be required to modify the FirstEnergy billing system to accommodate billing for non-commodity products and services.
- b. Has FirstEnergy provided on-bill billing for EGSs within the last 10 years in any jurisdiction (i.e., within or outside Pennsylvania) in which it operates? If the answer is yes, identify the EGS, the jurisdiction(s) and provide copies of any agreements or other documents related to the provision of such billing service.
- c. Does FirstEnergy or any of its affiliates in any jurisdiction (i.e., within or outside the Commonwealth) provide or have provided on-bill billing for any non-EGSs in the last 10 years? If the answer is yes, please identify each and every non-EGS, the jurisdiction(s) and provide copies of any agreements or other documents related to the provision of such billing service.

RESPONSE:

- a. Consistent with the objections of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively, the "Companies"), no information will be provided related to the Companies' parent company, FirstEnergy Corp., or the Companies' affiliate utilities in other jurisdictions. The Companies conducted a high-level estimate of the information technology ("IT") costs associated with billing non-commodity products and services offered by third parties. The IT costs are projected to exceed \$2,000,000 to develop the billing functionality. Additionally, annual labor costs of approximately \$420,000 would be incurred to maintain and support this new process. Please see the Companies' Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC Interrogatory Set I, No. 1, Attachment A.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 1

- b. Consistent with the Companies' objections, no information will be provided related to the Companies' parent company, FirstEnergy Corp., or the Companies' affiliate utilities in other jurisdictions. The Companies have not offered on-bill billing of non-commodity products and services for electric generation suppliers ("EGSs") within the last ten years.
- c. Consistent with the Companies' objections, no information will be provided related to the Companies' parent company, FirstEnergy Corp., or the Companies' affiliate utilities in other jurisdictions. The Companies have not offered on-bill billing of non-commodity products and services for non-EGS third parties within the last ten years.

Subject: Supplier Products on Companies' Bill

Team	Employees	Hours	Cost (IT Consulting)
Dereg	3	3642	\$637,350.00
Billing	2	2428	\$424,900.00
Bill Print	0.4	485.6	\$84,980.00
Rev Ops	2	2428	\$424,900.00
Front Office	0.4	485.6	\$84,980.00
Finance/FICA	2	2428	\$424,900.00
Web/Portal	0.4	485.6	\$84,980.00
Business Unit	3.8	4613.2	
SAP Core Functionality Change	1	1214	\$485,600.00
Total Project	14	16996	\$2,166,990.00

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 2

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
v.
METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 2

With regard to FirstEnergy's Answer and New Matter ¶ 19, and the contention that billing for FirstEnergy's products and services is "perfectly reasonable"; provide a copy of any affiliated interest agreements between FirstEnergy and its Pennsylvania affiliates regarding said practice. Provide the following:

- a. The development costs of adapting FirstEnergy's billing system to allow it to bill non-commodity products and services;
- b. If the option to provide non-commodity billing was not an "add-on" to the FE billing system, (i.e., was included in the initial specifications) provide any and all cost estimates or proposals that identify the development and implementation costs of including the non-commodity billing functionality;
- c. The annual operation and maintenance costs incurred by any FirstEnergy entity to operate the billing system for the previous 5 years, and any portion of its billing system that bills non-commodity products and services, broken down by month and by EDC; and
- d. Does FirstEnergy or any of its Pennsylvania affiliates intentionally terminate customers' electricity service for failure to pay any non-commodity charges?

RESPONSE:

Please see the Companies' Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC Interrogatory Set I, No. 2, Attachment A for a copy of the service agreement between FirstEnergy Service Company and the Companies.

- a. No costs were incurred to adapt the Companies' billing system to bill non-commodity products and services. This functionality was included within SAP, which is the billing platform the Companies have historically used to bill customers for their monthly electric distribution charges, as well as non-commodity products and services. In 2017, an upgrade to the Hybris system occurred to allow for advanced billing functionality of the Companies' non-commodity products and services. The estimated costs associated with this upgrade were approximately \$8,000,000; however, all costs were below the line and not passed on to the Companies' customers.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 2

- b. *See* the Companies' Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC Interrogatory Set I, No. 2a. above.
- c. The annual operating and maintenance costs of Hybris, excluding labor, were approximately \$510,000 in 2017, \$710,000 in 2018, and \$760,000 in 2019. Prior to 2017, SAP was the primary billing platform; however, because SAP is an enterprise system that also provides functionality for other operations throughout the Companies (e.g., customer relationship management, human resources, accounting, supply chain, etc.), there are no operating and maintenance costs associated exclusively with the billing of non-commodity products and services.
- d. No.

Service Company Agreement-Utility Execution Copy

SERVICE AGREEMENT

This Service Agreement ("Agreement") is entered into as of the 31st day of January, 2017, by and between each of the associate companies listed on the signature page hereto (each a "Client Company"), and FirstEnergy Service Company, an Ohio corporation ("Service Company").

WHEREAS, Service Company is a direct wholly-owned subsidiary of FirstEnergy Corp., a holding company under the Public Utility Holding Company Act of 2005, as amended (the "Act");

WHEREAS, Service Company has been formed for the purpose of providing administrative, management and other services to FirstEnergy Corp. and its associate companies, including Client Company (together, the "Client Companies"); and

WHEREAS, Client Company believes that it is in its interest to enter into an arrangement whereby Client Company may agree to purchase such administrative, management and other services from Service Company as Client Company may choose at cost as determined in accordance with this Agreement and the Act;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DESCRIPTION OF SERVICES.

Service Company agrees to provide certain administrative, management or other services (the "Services") to Client Company similar to those supplied to other Client Companies of Service Company. Such services are and will be provided to Client Company only at the request of Client Company. Exhibit A hereto lists and describes all of the Services that are available from Service Company.

2. PERSONNEL.

In order to provide the Services, Service Company will employ executive officers, accountants, financial advisers, technical advisers, attorneys and other persons with the necessary qualifications. If necessary, Service Company may also arrange for the services of nonaffiliated experts, consultants and attorneys in connection with the performance of any of the Services provided under this Agreement.

3. COMPENSATION AND ALLOCATION.

As and to the extent required by law, Service Company provides and will provide such services at fully allocated cost, determined in accordance with the Act. Exhibit A hereof contains rules for determining and allocating such costs.

4. TERMINATION AND MODIFICATION.

Either party to this Agreement may terminate this Agreement by providing 60 days written notice of such termination to the other party. This Agreement is subject to termination or modification at any time to the extent its performance may conflict with the provisions of the Act or with any rule, regulation or order of the Federal Regulatory Energy Commission (the "Commission") adopted before or after the making of this Agreement. This Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval is, by the laws of said state, a legal prerequisite to the execution and delivery or the performance of this Agreement.

5. SERVICE REQUESTS.

Client Company and Service Company will prepare a Service Request on or before September 30th of each year listing Services to be provided to Client Company by Service Company and any special arrangements related to the provision of such Services for the coming year, based on Services provided during the preceding year. Client Company and Service Company may supplement the Service Request during the year to reflect any additional or special Services that Client Company wishes to obtain from Service Company, and the arrangements relating thereto.

6. BILLING AND PAYMENT.

Unless otherwise set forth in a Service Request, payment for Services provided by Service Company shall be by making remittance of the amount billed or by making appropriate accounting entries on the books of Client Company and Service Company. Billing will be made on a monthly basis, with the bill to be rendered as soon as practicable after the close of the month, and remittance or accounting entries completed within 30 days of billing. Any amount remaining unpaid after 30 days following receipt of the bill shall bear interest thereon from the due date of the bill until payment at a rate equal to the prime rate on the due date.

7. NOTICE.

Where written notice is required by this Agreement, all notices, consents, certificates, or other communications hereunder shall be in writing and shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

To Client Company: c/o President
76 South Main St.
Akron, Ohio 44308

To Service Company: c/o Vice President and Controller
76 South Main Street
Akron, Ohio 44308

8. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflict of law's provisions.

9. MODIFICATION.

No amendment, change or modification to this Agreement shall be valid, unless made in writing and signed by both parties hereto.

10. ENTIRE AGREEMENT.

This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date in which case such agreements will govern the terms of such transactions.

11. WAIVER.

No waiver by either party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

12. ASSIGNMENT.

This Agreement shall inure to the benefit and shall be binding upon the parties and their respective successors and assigns. No assignment of this Agreement or either party's rights, interests or obligations hereunder may be made without the other party's consent, which shall not be unreasonably withheld, delayed or conditioned.

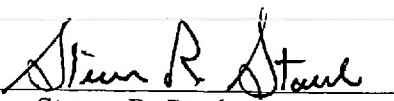
13. SEVERABILITY.

If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed effective as of the 31st day of January, 2017. This Agreement supersedes any previous agreement between the Service Company and the Client Companies.

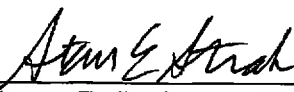
FirstEnergy Service Company

By: 
Steven R. Staub
Vice President and Treasurer

[Remainder of this page intentionally left blank.]

Client Companies:

**Ohio Edison Company
The Cleveland Electric Illuminating
Company
The Toledo Edison Company
Pennsylvania Power Company
American Transmission Systems,
Incorporated
Pennsylvania Electric Company
Waverly Electric Power & Light
Company
Metropolitan Edison Company
Monongahela Power Company
The Potomac Edison Company
West Penn Power Company
PATH-Allegheny Land Acquisition
Company
PATH-Allegheny Maryland
Transmission Company, LLC
PATH Allegheny Transmission
Company, LLC
PATH Allegheny Virginia
Transmission Corporation
AYE Series, Potomac-Appalachian
Transmission Highline, LLC
Trans-Allegheny Interstate Line
Company
Mid-Atlantic Interstate Transmission,
LLC**

By: 
Steven E. Strah
President

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**Jersey Central Power & Light
Company**


By: 
James V. Fakult
President

EXHIBIT A
DESCRIPTION OF SERVICES AND ALLOCATION METHODOLOGY

1. Description Of Services

Overview

This Exhibit provides a description of all services provided by Service Company departments and the cost allocation methodologies to be used in connection therewith. All products and services are subject to Service Level Standards as negotiated between the Service Company department and Client Company. Each Client Company is classified as either a "Utility Subsidiary" or a "Non-Utility Subsidiary".

2. Cost Allocation Methodology

Overview

The costs of services provided by Service Company will be directly assigned, distributed or allocated by activity, project, program, work order or other appropriate basis. The primary basis for charges to affiliates is the direct charge method. The methodologies listed below pertain to all other costs which are not directly assigned but which make up the fully allocated cost of providing the product or service. The costs of product and services provided by the ServeCo that cannot be charged directly to the Subsidiary receiving the product or service will be allocated among the associate companies by utilizing one of the methods described below that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the service. The allocation methods used by Service Company are as follows:

a. **"Multiple Factor – All"** - For the Indirect Costs for products or services benefiting the entire FirstEnergy system, FirstEnergy and all Subsidiaries will bear a fair and equitable portion of such costs. FirstEnergy will bear 5% of these Indirect Costs. The remaining Indirect Costs will be allocated among the Utility Subsidiaries and the Non-Utility Subsidiaries benefiting from the services provided based on FirstEnergy's equity investment in the respective groups. A subsequent allocation step will then occur. Among the Utility Subsidiaries, allocations will be based upon the **"Multiple Factor - Utility"** method. Among the Non-Utility Subsidiaries, allocations will be based upon the **"Multiple Factor - Non-Utility"** method.

b. **"Multiple Factor – Utility"** - For the Indirect Costs for a product or service solely benefiting one or more of the Utility Subsidiaries, each such Utility Subsidiary so benefiting will be charged a portion of the Indirect Costs based on the sum of the weighted averages of the following factors:

1. Gross transmission and/or distribution plant
2. Operating and maintenance expense excluding purchase power and fuel costs

3. Transmission and/or distribution revenues, excluding transactions with affiliates

These three (3) factors have been determined to be the most appropriate for the Utility Subsidiaries in the FirstEnergy system. Each factor will be weighted equally so that no one facet of the electric utility operations inordinately influences the distribution of Indirect Costs.

c. "Multiple Factor - Non-Utility" - For the Indirect Costs for products or services solely benefiting the Non-Utility Subsidiaries, each Non-Utility Subsidiary so benefiting receiving the product or service will be charged a proportion of the Indirect Costs based upon the total assets of each Non-Utility Subsidiary, including the generating assets under operating leases from the Utility Subsidiaries.

d. "Multiple Factor - Utility and Non-Utility" - For the Indirect Costs for a product or service benefiting one or more of the Utility and Non-Utility Subsidiaries, each such Subsidiary so benefiting is first assigned a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in such Subsidiaries. Following this distribution, a subsequent allocation step will then occur. Among the Utility Subsidiaries, allocations will be based upon the **"Multiple Factor-Utility."** Among the Non-Utility Subsidiaries, allocations will be based upon **"Multiple Factor - Non-Utility"**

e. "Direct Charge Ratio" - The ratio of direct charges for a particular product or service to an individual Subsidiary as a percentage of the total direct charges for a particular product or service to all Subsidiaries benefiting from such services. Indirect Costs are then allocated to each Subsidiary based on the calculated ratios.

f. "Number of Customers Ratio" - For costs of products and services driven by the number of Utility customers, the allocation method that will be used will be the number of Utility customers for the respective Utility Subsidiary receiving the product or service divided by the total number of utility customers.

g. "Number of Shopping Customers Ratio" - A "shopping customer" is defined as a Utility customer who has selected a competitive electric generation supplier. For costs of products and services driven by the number of shopping customers, the allocation method that will be used will be the number of shopping customers for the respective Utility Subsidiary receiving the product or service divided by the total number of shopping customers.

h. "Number of Participating Employees – General" - For costs of products and services driven by all participating employees within the FirstEnergy system, the allocation method that will be used will be the number of participating employees for the respective Subsidiary receiving the product or service divided by the total number of participating employees.

i. "Number of Participating Employees - Utility and Non-Utility"
- For costs of products and services driven by participating employees who work for the Utility and Non-Utility Subsidiaries, the Subsidiaries receiving the product or service are first assigned a distribution ratio that is in proportion to the Indirect Costs based on FirstEnergy's equity investment in the respective groups. Costs are further allocated by using the number of participating employees for the respective Subsidiary divided by the total number of participating FirstEnergy employees.

j. "Gigabytes Used Ratio" - Number of gigabytes utilized by a Subsidiary receiving the product or service divided by the total number of gigabytes used by the FirstEnergy system companies applicable to that respective product or service.

k. "Number of Computer Workstations Ratio" - Number of computer workstations utilized by a Subsidiary receiving the product or service divided by the total number of computer workstations in use by the FirstEnergy system companies applicable to that respective product or service.

l. "Number of Billing Inserts Ratio" - Number of billing inserts performed for a Subsidiary receiving the product or service divided by the total number of billing inserts performed for the FirstEnergy system companies applicable to that respective product or service.

m. "Number of Invoices Ratio" - Number of invoices processed for a Subsidiary receiving the product or service divided by the total number of invoices processed for the FirstEnergy system companies applicable to that respective product or service.

n. "Number of Payments Ratio" - Number of monthly payments processed for a Subsidiary divided by the total monthly number of payments processed for the FirstEnergy system companies applicable to that respective product or service. This will not be utilized until some historical information is available out of our new automated system.

o. "Daily Print Volume" - Average daily print volume performed for a Subsidiary receiving the service divided by the total average daily print volume performed for the entire FirstEnergy system.

p. **“Number of Intel Servers”** - Number of Intel servers utilized by a Subsidiary receiving the product or service divided by the total number of Intel servers utilized by the FirstEnergy system.

q. **“Application Development Ratio”** - Number of application development hours budgeted for a Subsidiary receiving the service divided by the total number of budgeted application development hours for the year.

r. **“Server Support Composite”** - The average ratio of unix gigabytes, SAP gigabytes and Intel number of servers for a Subsidiary receiving the service.

3. Descriptions of Products and Services

CALL CENTER

Product or Service	Product / Service Description	Indirect Allocation Methods
Field All Inbound Regulated Calls	Field calls related to billing, credit, new service, service order completion, outages, and other miscellaneous activities.	Multiple-Factor – Utility and Non-Utility
Field All Inbound Unregulated Calls	Field calls related to billing, credit, new service, service order completion, outages, and other miscellaneous activities.	Multiple Factor – Utility and Non-Utility

CUSTOMER SERVICE

Product or Service	Product / Service Description	Indirect Allocation Methods
Supplier Services	Provide customer services support to electric generation suppliers, administer and maintain Electronic Data Interface (EDI) functions and invoice suppliers.	Number of Shopping Customers Ratio
Regulatory Interface and Process Improvement: Supplier	Liaison to ensure Customer Choice requirements and develop and execute plans to improve supplier services processes.	Number of Shopping Customers Ratio
Market Support Generation (MSG) Administration	Administer and support MSG supplier functions.	Number of Shopping Customers Ratio
Regulatory Interface and Process Improvement: Regulatory	Respond to regulatory complaints from customers and develop and execute plans to improve regulatory compliance processes.	Number of Customers Ratio
Compliance	Work with regions to communicate and ensure regulatory requirements.	Multiple Factor – Utility
Power Billing	Provide billing functions for large commercial/industrial contract customers.	Number of Customers Ratio
Revenue Reporting	Perform and manage revenue reporting functions.	Number of Customers Ratio
Billing Exception Processing	Process billing exceptions.	Number of Customers Ratio
Remittance Processing	Process customer payments and deposit funds.	Number of Payments Ratio
Human Services	Coordinate and administer the various social services programs.	Number of Customers Ratio

Arrears Management/ Outsourcing Services Incorporated (OSI) Administration	Coordinate and perform arrears, credit and bankruptcy functions. Manage outside collections agencies' performance and OSI credit activities.	Number of Customers Ratio
Revenue Protection Administration	Perform revenue reporting and compliance functions.	Number of Customers Ratio
Metrics and Budget/ Customer Satisfaction Measurement	Manage Customer Services and Call Center Departments' budgets and measure performance and customer satisfaction results.	Number of Customers Ratio
Policy/Procedures Development and Documentation	Develop, document and communicate Customer Services policies and procedures.	Number of Customers Ratio
Bill Administration/ Forms Administration	Design standardized customer bills, envelopes, and forms.	Number of Customers Ratio
Meter Reading Support	Coordinate Meter Reading schedules and routing activities.	Number of Customers Ratio
Customer Information System (CIS) Control	Operate and maintain CIS.	Number of Customers Ratio

ECONOMIC DEVELOPMENT

Product or Service	Product / Service Description	Indirect Allocation Methods
Economic Development Services	Foster economic development to encourage capital investment in FirstEnergy's service areas.	Multiple Factor – Utility

TRANSMISSION & DISTRIBUTION TECHNICAL SERVICES

Product or Service	Product / Service Description	Indirect Allocation Methods
Forestry	Provide forestry services.	Multiple Factor – Utility
Distribution Reliability and Asset Records	Services include Joint User contracts, public works coordination, reliability reporting to regions and Public Utility Commissions, mutual assistance coordination, PowerOn support, cable locate ticket screening and tariff support.	Multiple Factor – Utility

Design Standards	Services include line material and construction standards, distribution line and underground maintenance practices and support, new business process support, and service practices.	Multiple Factor – Utility
Substation Services Support	Services include Substation maintenance plan coordination, practices and support, mobile substation administration and planning, and environmental compliance support.	Multiple Factor – Utility
Equipment Repair/Testing Services	Services include the maintenance, installation, maintenance, testing and repair of utility equipment.	Multiple Factor – Utility
Fleet Services	Develop fleet strategy, and perform fleet maintenance practices and support.	Multiple Factor – Utility
Financial Services	Identify revenue enhancements and cost reductions.	Multiple Factor – Utility
Substation Design and Transmission-Line Maintenance Support	Perform substation and transmission line design and project management and transmission line and substation design and material standards, right-of-way and survey services, transmission line maintenance plan coordination, practices and support, FAA activity coordination.	Multiple Factor – Utility
Planning and Protection	Perform planning and protection support for subtransmission system and overall radial system capacity planning overview, and interconnection coordination for distributed technology applications on distribution system.	Multiple Factor – Utility
Capital Budget and Equipment Support	Capital budget development and support, and major equipment specifications and procurement/repair activities for major equipment.	Multiple Factor – Utility

WORKFORCE DEVELOPMENT

Product or Service	Product / Service Description	Indirect Allocation Methods
Transmission and Distribution Skills Training	Develop and facilitate technical and safety training for workers associated with distribution activities, including line, substation, meter, fleet, warehouse, field engineering, and dispatch. Provide support through equipment evaluation, training analyses, job assessments, and project coordination.	Number of Participating Employees – General
Customer Service Skills Training	Develop and facilitate skills training for customer service groups.	Multiple Factor – Utility
External Learning Opportunities Through the Power Systems Institute	Develop educational partnerships with colleges to offer two-year degrees in electric utility technology.	Multiple Factor – Utility

ADMINISTRATIVE SERVICES

Product or Service	Product / Service Description	Indirect Allocation Methods
Provide Administrative Support Services	Provides services in production printing, document imaging, graphic services, food services, corporate mailroom and corporate courier.	Multiple Factor – Utility and Non-Utility or Multiple Factor Utility*
Provide Records Management Services	Provides services in records storage, records retrieval, records retention, records planning and engineering records.	Multiple Factor – Utility and Non-Utility or Multiple Factor Utility*
Provide Business Services	Provides services in convenience copiers, fax machines, pagers, printers, and business information center.	Multiple Factor – Utility and Non-Utility or Multiple Factor Utility*

* For services rendered only to the utilities.

EXECUTIVE

Product or Service	Product / Service Description	Indirect Allocation Methods
Executive Management	Consultation and services in management and administration of all aspects of the business.	Multiple Factor – All

COMMUNICATIONS

Product or Service	Product / Service Description	Indirect Allocation Methods
Public Relations	Provides services in media relations, financial communications, annual reports, executive presentation, public relations counsel, corporate writing, internet support and special projects.	Multiple Factor – All
Employee Communications	Provides services with update, retirees, satellite broadcast, human resource-related communications and special projects.	Number of Participating Employees – Utility and Non-Utility
Production	Provides services related to display, photography, Corporate ID, video and employee merchandise.	Multiple Factor – All
Sponsorship	Provides services related to sports marketing, university support and special projects.	Multiple Factor – All
Non-Utility Advertising	Provides services related to broadcast/print, collateral, direct mail, internet/intranet, display/merchandise, yellow/white pages, production/agency support and special projects.	Multiple Factor – Non-Utility
Utility Advertising	Provides services related to TV, radio, print, outdoors, Internet/Intranet, special projects, production, agency support and creative media placement.	Multiple Factor – Utility
Utility Bill Inserts	Provides services developing regulated bill service to Ohio, Pennsylvania and New Jersey.	Multiple Factor – Utility
Utility : Yellow / White Pages	Provides services with regulated yellow/white pages.	Multiple Factor – Utility
Utility: Research	Provides research services.	Multiple Factor – Utility
Ohio Consumer Education	Provides services related to Ohio Consumer Education statewide and locally.	Multiple Factor – Utility
Ohio Deregulation Education	Provides service related to Deregulation Education.	Multiple Factor – Utility

CORPORATE AFFAIRS AND COMMUNITY INVOLVEMENT

Product or Service	Product / Service Description	Indirect Allocation Methods
Corporate Affairs Activities	Provide administrative support through oversight of the business practices and planning and implementation of staff, senior management and related meetings. Serves as community liaison.	Multiple Factor – Utility
Direct Community Involvement Initiatives	Provides direction in employee volunteerism, supports viable community partnerships and educational initiatives.	Multiple Factor – Utility
Energy Efficiency Programs	Directing and coordinating Ohio Weatherization and Energy Efficiency Programs for Low Income Customers.	Multiple Factor – Utility
Community Initiatives Consulting Services	Consults to regional operations and other business units and client managers for the various community programs.	Multiple Factor – Utility
Contributions Management	Directs, coordinates, monitors, and manages contributions.	Multiple Factor – Utility

CORPORATE

Product or Service	Product / Service Description	Indirect Allocation Methods
Investor Services	Stock administration, perform recordkeeping, transfer agent, registrar, paying agent, reinvestment plan administration and other services for shareholders.	None (All Direct Charge to Holding Co.)
Board of Directors Support	Support and administration of Board of Directors meetings and director compensation.	None (All Direct Charge to Holding Co.)
Annual Meeting Coordination	Coordinate the Annual Meeting of Shareholders, including the preparation and mailing of proxy materials and annual reports and the tabulation of proxies.	None (All Direct Charge to Holding Co.)
Indenture Compliance	Administer the company's indentures	Multiple Factor – Utility

HUMAN RESOURCES

Product or Service	Product / Service Description	Indirect Allocation Methods
Manage Employee Executive Compensation and Benefits	Provide management and supervision for employee and executive compensation and benefits.	Number of Participating Employees – General
Manage Workers Compensation and Disability Management	Provide management and supervision for workers compensation and disability programs.	Number of Participating Employees – General
Provide and Coordinate Human Resources Training	Design, prepare and conduct training.	Number of Participating Employees – General
Provide Employment Services	Provide staffing, relocation and employment expertise.	Number of Participating Employees – General
Provide HRIS Services	Provide and maintain Human Resources information.	Number of Participating Employees – General
Provide Diversity Management Services	Manage Affirmative Action programs, provide EEO/AA consulting services, and respond to charges.	Number of Participating Employees – General
Manage/ Administer Medical Services and Wellness Programs	Establish compliance, develop, implement, and administer medical and wellness programs.	Number of Participating Employees – General

INDUSTRIAL RELATIONS

Product or Service	Product / Service Description	Indirect Allocation Methods
Provide Labor Contract Negotiations	Provide contract negotiation services for all labor agreements.	Number of Participating Employees – General
Provide Labor Consulting Services	Provide labor consulting services.	Number of Participating Employees – General
Manage/Administer Safety Programs	Develop, implement and administer occupational safety programs.	Number of Participating Employees – General

REAL ESTATE

Product or Service	Product / Service Description	Indirect Allocation Methods
Facilities Management	Management and maintenance of office facilities.	Multiple Factor – All or Multiple Factor Utility*
Facilities Planning and Project Management	Manage office design services, furniture, project management and other capital improvements.	Multiple Factor – All or Multiple Factor Utility*
Management of Real Estate Assets	Support internal and external inquiries regarding the acquisition, divestiture and management of real estate assets	Multiple Factor – All or Multiple Factor Utility*
Manage/Administer Security Programs	Administer physical security, special investigations, security audits, security consultation and contract guard services.	Multiple Factor – All or Multiple Factor Utility*

* For services rendered only to the utilities.

FIRSTENERGY TECHNOLOGIES

Product or Service	Product / Service Description	Indirect Allocation Methods
Strategic Technologies	Develop, support and implement EPRI programs, industry initiatives, research and development programs collaboratives and activities with universities, labs and the Department of Energy.	Multiple Factor – Utility
New Technology Assessment	Perform assessment activities for strategic technology pilots, technology assessments, marketing tests, customer pilots and due diligence reviews.	Multiple Factor – Utility and Non-Utility
Technical Application and Product Innovation	Develop, analyze and support strategic alliances, joint ventures, strategic startups, direct investments and Portfolio initiatives.	Multiple Factor – Utility and Non-Utility
New Technology and Product Market Deployment	Develop, support and implement the following initiatives: tailored solutions with existing products, commercial packages, operational efficiencies and business area solutions.	Multiple Factor – Utility and Non-Utility
Demand Response Initiatives	Provide support for corporate demand response initiatives.	Multiple Factor – Utility and Non-Utility
Renewable Energy Program and Strategy	Provide support for various corporate and regulatory initiatives to develop and implement renewable energy programs and products.	Multiple Factor – Utility

Regulated Programs and Services	Develop, support and implement programs and strategies to meet corporate initiatives and regulatory mandates and commitments related to Comprehensive Resource Assessment(CRA), customer end-use technology, distributed generation and load management.	Multiple Factor – Utility
Project Implementation Management Services	Develop and implement end-use and distributed generation technology-based products and services.	Multiple Factor – Utility and Non-Utility

TECHNOLOGY & SUPPORT SERVICES

Product or Service	Product / Service Description	Indirect Allocation Methods
Provide Network Services	Provide Internal Network Services.	Multiple Factor – Utility and Non-Utility
Maintain wireless cell sites and fiber optics network	Maintain internal wireless cell sites and fiber optic network; provide engineering, procurement, and installation services.	Multiple Factor – Utility and Non-Utility

INFORMATION TECHNOLOGY

Product or Service	Product / Service Description	Indirect Allocation Methods
Application Development	Create new or enhance existing applications; including analysis design coding, testing, system integration, and implementation, as well as any required technical writing or project manual development.	Directly Billed
Development Supervision and Tool Support	Supervision of application development employees and the support of development software tools.	Application Development Ratio
Server Support (Unix, SAP)	Create and support the network and server infrastructure to accommodate unix and SAP client server applications.	Gigabytes Used Ratio
Client Server Storage Support	Support of storage requirements for all server applications.	Server Support Composite Ratio
Server Support (Intel)	Create and support the network and server infrastructure to accommodate windows and NT client server applications.	Number of Intel Servers Ratio
Mainframe Processing and Storage Support	Execute mainframe applications, including an appropriate portion of support, started tasks, mainframe backups and microfiche services.	Gigabytes Used Ratio

Desktop Support	Help desk email and end-user tools, remote access, repair services, and general workstation support.	Number of Computer Workstations Ratio
Network Services	Includes voice, data, EMS and radio access.	Direct Charge Ratio
Inserting Services	Provide document bursting, inserting and mailing.	Number of Billing Inserts Ratio
Printing Services	Provide mainframe and client server printing services at the data center.	Daily Print Volume Ratio
Technical Consulting	Provide consulting support to departments and end-users to enable them to leverage their IT capabilities. Provide advice and consultation regarding desktop setups and configurations.	Directly Billed
Training	Provide IT training.	Multiple Factor – Utility and Non-Utility
Business Application Support	Support business application related software licenses and / or hardware maintenance provided by an outside vendor.	Directly Billed
Data Security	Disaster recovery and data security services.	Multiple Factor – Utility and Non-Utility
Project Management Office	Oversee technology projects through benefit.	Multiple Factor – Utility and Non-Utility
Provide Telecommunication Services	Provide telecommunication services and equipment.	Direct Charge Ratio
Portal Support	Support the infrastructure to accommodate internet and intranet application access.	Multiple Factor – Utility and Non-Utility

PERFORMANCE PLANNING

Product or Service	Product / Service Description	Indirect Allocation Methods
Performance Planning Services	Develop, support and execute performance planning services.	Multiple Factor – All

SUPPLY CHAIN

Product or Service	Product / Service Description	Indirect Allocation Methods
Strategic Planning, Demand management and Procurement Projects	Provide assistance in materials and services planning (demand management) and performs special procurement projects.	Multiple Factor – Utility and Non-Utility
Goods and services procurement	Procure material, equipment and contractor services. Establish, manage and administer programs, which allow internal customers to obtain goods without having to process the need through Procurement. Develop specifications, construction standards, schedules, and bills of materials.	Multiple Factor – Utility and Non-Utility
Materials Management Support	Maintain the computerized purchasing and materials management systems, and material related modules; maintain and/or modify select management reports. Analyze Supply Chain processes and measure performance. Monitor and forecast demand to ensure a continuous supply of materials.	Multiple Factor – Utility and Non-Utility
Investment Recovery Projects	Develop and implement plans for disposition of surplus assets.	Multiple Factor – Utility and Non-Utility
Process, Refurbish and Sell Materials	Perform recovery processing, investment recovery processing, refurbishing and selling materials.	Multiple Factor – Utility and Non-Utility
Provide Warehousing Services - Non-nuclear	Receive and place material into stock, insure quality requirements are met at receipt, maintain inventory counts, and update information systems. Fill customer requests for material from stock.	Multiple Factor – Utility and Non-Utility
Provide Warehousing Services - Nuclear	Receive and place material into stock, insure quality requirements are met at receipt, maintain inventory counts, and update information systems. Fill customer requests for material from stock.	None (All direct charged)
Warehousing Space Charge	Provide warehousing space to internal customers.	Multiple Factor – Utility and Non-Utility

CONTROLLERS

Product or Service	Product / Service Description	Indirect Allocation Methods
Accounting Research	Provide accounting research and consulting to ensure compliance with existing and proposed financial reporting, and regulatory accounting requirements.	Multiple Factor - All
Accounts Payable	Nonpayroll corporate disbursement services including account distribution to the general ledger. Resolve problems associated with invoice processing and maintain the accounts payable system.	Multiple Factor - All
Billing Services	Prepare non-retail electric billings.	Multiple Factor Utility
Infrastructure and Corporate Reporting, Accounting and Budgeting	Prepare Corporate Sustaining reports, subsidiary accounting and corporate budgeting, which includes reporting and support of the ledger, property records and SAP system.	Multiple Factor - All
Due Diligence	Assist value centers to determine whether proposed business acquisitions/combinations and similar transactions are desirable from a financial perspective; extensive review/analysis following preliminary review and firm intent to proceed with transaction through commitment and closing phases.	None (All direct charged)
Value Center Accounting and Budgeting	Maintain the property accounting system and provide value center accounting such as management reporting.	Multiple Factor – Utility and Non-Utility
Property Record Maintenance	Maintain corporate continuing property records.	Multiple Factor – Utility and Non-Utility or Multiple Factor Utility*
Tax Consulting and Research	Conduct tax research and tax consulting to assure compliance with statutes, while evaluating alternative tax strategies within the constraints of regulations that provide additional shareholder value to the company. In addition, provide tax-consulting advice to the value centers on tax compliance and reporting issues, which includes business “start-up” support to organizations requiring assistance.	Multiple Factor – All

* For services rendered only to the utilities.

Tax Compliance	Prepare and process all schedules and information associated with corporate and subsidiary tax returns, audits, and tax litigation, assuring compliance with tax regulations and statutes.	Multiple Factor – All or Multiple Factor Utility*
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* For services rendered only to the utilities.

CREDIT MANAGEMENT

Product or Service	Product / Service Description	Indirect Allocation Methods
Credit Analysis and Supporting Functions	Provide detailed written credit analysis issuing recommendations on counterparty creditworthiness and assigning credit limits.	Multiple Factor – Utility and Non-Utility
Credit Policies and Procedures	Develop and support credit policies and procedures for managing credit risk. Implement and support standardized credit approval processes.	Multiple Factor – Utility and Non-Utility
Credit Management Information System	Develop and support credit management reports and calculate credit exposure on a corporate wide basis.	Multiple Factor - All

ENTERPRISE RISK MANAGEMENT

Product or Service	Product / Service Description	Indirect Allocation Methods
General Risk Management	Develop and maintain an enterprise risk management system.	Multiple Factor - All

INSURANCE SERVICES

Product or Service	Product / Service Description	Indirect Allocation Methods
Insurance Policies	Manage and support insurance policies for all the business units .	Multiple Factor – Utility and Non-Utility
Loss Control Services	Manage and support property inspections to prevent losses.	Multiple Factor – Utility and Non-Utility
Surety Bonds	Manage and support Surety Bonds.	Multiple Factor– Utility and Non-Utility
Risk Transfer and Risk Mitigation Services	Manage and support risk transfer and risk mitigation services.	Multiple Factor – Utility and Non-Utility
Ancillary Coverages	Manage and support ancillary coverages.	None (All direct charged)

INTERNAL AUDIT

Product or Service	Product / Service Description	Indirect Allocation Methods
Audit Services	Perform the following internal audit services based on risk levels and / or requests: financial, performance analysis, safeguarding of assets, computer- related and fraud investigations.	Multiple Factor – All or Multiple Factor – Utility*

INVESTMENT MANAGEMENT

Product or Service	Product / Service Description	Indirect Allocation Methods
Qualified and Non-qualified Pension and Savings Plan	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Number of Participating Employees – Utility and Non-Utility
FirstEnergy Foundation	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Multiple Factor - All
Voluntary Employee Benefit Association (VEBA) Trust	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Number of Participating Employees – Utility and Non-Utility
Nuclear Decommissioning	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	None (All direct charged)
Non-Utility Generator Trust	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Multiple Factor – Non-Utility
Spent Nuclear Fuel	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	None (All direct charged)
Low-Income Housing Tax Credit Partnership	Establish and implement investment policy and asset allocation strategy and monitor investment performance.	Multiple Factor - All

INVESTOR RELATIONS

Product or Service	Product / Service Description	Indiregct Allocation Methods
Investor Information	Compile and communicate information to investors.	Multiple Factor – Utility* or Direct Charge to Holding Co.
Investor Education	Target and educate potential investors to promote FirstEnergy's valuation characteristics and business strategy.	None (All Direct Charge to Holding Co.)

* For services rendered only to the utilities.

Regulations Compliance	Ensure compliance with SEC Fair Disclosure regulations.	Multiple Factor - All
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FirstEnergy Management Education	Provide education to management of business concerns and valuation issues of analyst/investors	Multiple Factor – All
FirstEnergy Employee Education	Actively promote understanding of financial and investor relations' issues.	Multiple Factor – All

RATES AND REGULATORY AFFAIRS

Product or Service	Product / Service Description	Indirect Allocation Methods
Regulatory Activities and Consulting	Manage regulatory activities and interfaces, including tariff development and interpretation. Monitor and participate in regulatory affairs at the local, state and federal levels.	Multiple Factor – Utility
Customer Pricing and Contracting	Develop pricing programs for regulated electric service for retail and wholesale customers, including “unbundled” costs and prices for generation, transmission and distribution service and support justification to regulators. Provide support in developing pricing for special-purpose customer programs and non-regulated energy services (e.g. prepayment, economic development, interruptible load, conjunctive-billing electric service programs).	Multiple Factor – Utility
Billing Support	Provide assistance calculating customer (external and internal) invoices and operate and maintain systems to render, collect and account for these invoices.	Multiple Factor – Utility
Sales and Load Forecasting	Develop short-term and long-term sales forecast, peak load projections and customer counts	Multiple Factor – Utility and Non-Utility

TREASURY

Product or Service	Product / Service Description	Indirect Allocation Methods
Capital Structure Management and Administration	Perform all activities related to acquiring capital and establish and administer funding, legal documentation, and record-keeping activities associated with finance programs	Multiple Factor – All
Corporate Funds Management	Plan, manage, and operate the corporate “cash-flow-cycle.”	Multiple Factor – All
Corporate Forecasting	Provide regulatory support, strategy support, financial modeling and forecasting, financial and economic analysis and development of annual corporate KPI target.	Multiple Factor – All

Capital Project Evaluation and Support	Provide analytical support in the areas of financing, profitability, capital structure and cash flow.	Multiple Factor -- Utility and Non-Utility
Investor Relations Activities	Provide institutional and retail security holder, buy and sell-side analysts, rating agencies, and other key members of the financial community with qualitative and quantitative information.	Multiple Factor -- All

BUSINESS DEVELOPMENT

Product or Service	Product / Service Description	Indirect Allocation Methods
Mergers and Acquisitions Support	Support, evaluate and assist in the management of merger, asset acquisition and asset disposition activities.	None (All direct charged)
Internal Consulting	Perform strategic analysis/business fit, and economic analysis. Provide integration and transitional management services as needed.	None (All direct charged)

GOVERNMENTAL AFFAIRS

Product or Service	Product / Service Description	Indirect Allocation Methods
Federal Governmental Affairs Support	Activities associated with developing and maintaining relationships with federal government institutions; includes lobbying, and other support activities.	None (All direct charged)
State Governmental Affairs Support	Activities associated with developing and maintaining relationships with state government institutions; includes lobbying, and other support activities.	None (All direct charged)

LEGAL

Product or Service	Product / Service Description	Indirect Allocation Methods
Provide Governmental Affairs Support	Activities associated with developing and maintaining relationships with government institutions; includes lobbying, litigation, and other support activities.	None (All direct charged)
Nuclear Legal Consultation and Case Management	Provide legal advice for federal and state nuclear matters.	None (All direct charged)
Human Resources Legal Consultation & Case Management	Provide legal advice for human resource matters (including workers compensation, union negotiations, arbitrations, class action lawsuits, etc.).	Multiple Factor -- Utility and Non-Utility

Product or Service	Product / Service Description	Indirect Allocation Methods
Employee Benefits Legal Consultation & Case Management	Provide legal advice for employee benefits matters (including health and welfare benefits, tax-qualified and non-tax qualified benefit plans and programs, pension administration, etc.).	Number of Participating Employees – Utility and Non-Utility
Tax Legal Consultation & Case Management	Provide legal advice for tax matters including federal, state & local tax matters (land tax, sales & use tax, IRS, etc.).	Multiple Factor – All
Bankruptcy Legal Consultation & Case Management	Provide legal advice for bankruptcy matters.	Multiple Factor – Utility and Non-Utility
International Legal Consultation & Case Management	Provide legal advice for international matters– contract negotiations, sale/lease agreements.	None (All direct charged)
Non-Utility Legal Consultation & Case Management	Provide legal advice on federal and state matters to Non-Utility Subsidiaries.	Multiple Factor – Non-Utilities
Regulatory Legal Consultation & Case Management	Provide legal advice for federal and state regulatory matters.	Multiple Factor – Utility
Environmental Legal Consultation & Case Management	Provide legal advice for environmental matters (other than PCB – related matters) - federal (EPA) and state (EPA), regulatory/legislative compliance issues.	None (All direct charged)
PCB Environmental Legal Consultation & Case Management	Provide legal advice for PCB-related matters - federal (EPA) and state (EPA), regulatory/legislative compliance issues.	Multiple Factor – Utility
Real Estate Legal Consultation & Case Management	Provide legal advice for real estate matters.	Multiple Factor – Utility and Non-Utility
Corporate Legal Consultation & Case Management	Provide legal advice for general corporate and transactional matters (including SEC filings, Board of Directors matters, PUHCA, Financings, Securities Matters, Intellectual Property, Technology, General Counsel matters, etc.).	Multiple Factor – All
Claims Legal Consultation & Case Management	Provide legal advice for Claims matters.	Multiple Factor - All

CLAIMS

Product or Service	Product / Service Description	Indirect Allocation Methods
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Process Receivable Claims	Provide management, supervision, and performance of tasks associated with the resolution and chargeback of receivable claims.	Multiple Factor - All
Provide Corporate Support	Claims support in evaluating claims, and procuring appropriate external/internal legal resources.	Multiple Factor - All

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

**METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY,
PENNSYLVANIA POWER COMPANY, AND WEST PENN POWER COMPANY
Docket No. C-2019-3013805, C-2019-3013806, C-2019-3013807, and C-2019-3013808**

**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 3**

With regard to FirstEnergy's Answer and New Matter ¶ 20, describe each and every "implementation issue" that "only exist when offering non-commodity billing service to third parties."

RESPONSE:

The Companies have identified the following implementation issues that, at a minimum, would exist when offering non-commodity billing services to third parties. The Companies are continuing to review the impacts of this request and may identify additional implementation issues.

- The Companies' EGS Coordination Tariffs prohibit an EGS from utilizing utility consolidated billing for non-commodity products and services; therefore, permitting EGSs to include charges for non-commodity products and services on the Companies' bills would violate these Tariffs.
- The Companies have no established billing methodology to charge customers for third party non-commodity products and services. When the EGS passes charges through an electronic data interchange ("EDI") transaction, the Companies have no ability to determine whether the charges are related to basic energy charges or non-commodity products and services. New EDI requirements, line item billing requirements, and all other payment posting and processing rules would need to be modified.
- Currently, any EGS charges on the Companies' bills are subject to POR participation. The Companies do not have the ability to isolate the receivables for EGS non-commodity products from the Companies' POR programs. Under the POR construct, EGSs would be paid for their non-commodity charges regardless of whether the customer paid, resulting in all customers bearing the burden of increased uncollectible expense. Customers should not be responsible to pay for the increased POR program costs associated with allowing EGSs to utilize utility consolidated billing for non-commodity products and services.
- Significant additional costs and resources would be associated with upgrading the Companies' billing systems for this process. *See* Companies' Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC Interrogatory Set I, No. 1.
- The Companies are not permitted to terminate electric service for a customer's failure to pay for non-commodity products and services. If EGSs are permitted to include

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 3

charges for non-commodity products and services on the Companies' bills, additional risk exists that the Companies could unknowingly terminate service for non-payment of non-commodity products and services in violation of the Commission's regulations under Chapter 56.

- Without any ability to confirm whether EGS and third party charges for non-commodity products and services are accurate or approved by the customer, opening up the Companies' bills to include these charges creates additional risk for the Companies by contributing to customer confusion, damaging the Companies' brand, and eroding the Companies' relationship with their customers.
- The Companies have procedures in place to prevent any current Customer Assistance Program ("CAP") customer from being enrolled in non-basic services offered by the Companies. If EGSs are permitted to include charges for non-commodity products and services on the Companies' bills, additional risk exists that a CAP customer could be enrolled in non-commodity services offered by an EGS.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 4

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**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 4**

Identify all FirstEnergy employees and contractors who had significant responsibility for the design, development and/or implementation of the billing system capability that allows for the billing of non-commodity products and services. For each person identified, provide their name, title, and a description of the scope of their participation.

RESPONSE:

Please see the Companies' Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC Interrogatory Set I, No. 4, Attachment A for a list of employees and contractors who contributed to the development of Hybris. The Companies do not have a list of those employees and contractors who originally implemented SAP.

Name	Title	Scope of Work	
Rick Charles	Manager, Operations System Management	PMO	
Pam Foley	Technical Architect IV	PMO	PMO = Project Management Office
Kevin Kavali	Supervisor, Customer Care	C4C/CRM	C4C = Cloud for Customer
Neil Keating	Analyst IV, Customer Communications	Marketing/Commerce	CRM = Customer Relationship Management
Adam Orwig	IT Project Manager IV	IT	HCI = Human Computer Interaction
Dan Russell	Analyst IV, Enrollment Management	C4C/CRM	
Anne Stith	Analyst IV, Cash Management	Billing	
Ken Young	Analyst IV, Billing and EDI	Billing	
Sarah Haas	Analyst III, Customer Operations	C4C/CRM	
Dianne Kestler - Betz	Analyst IV, Consumer Products	C4C/CRM	
Ashley Austin	IT Business Analyst IV	C4C/CRM	
Lydia Hysler	Analyst IV, Enrollment Management	C4C/CRM	
Brittany Jones	Analyst III, Customer Care	C4C/CRM	
Carrie Dykes	SAP Developer V, Retail CRM	IT	
Byram Sewell	Principal Project Manager - Utilities	PMO - Nexus Overall Governance	
Taylor Barsamian	Consultant	Marketing Team Lead	
Steve Wisz	Platinum Consultant	Marketing Technical Architect	
Raj Kristam		Marketing HCI Interfaces	
Narinder Singh		Marketing HCI Interfaces	
Abdul Firfiray		SAP CD Project Manager	
Brandon Held	Project Manager Development	Commerce Architect	
Michele McBride	Consultant	Cloud FE Contact for Customer support	
Justus Talley	Customer Management Retail	PMO	
Chun Wei Ooi	Director Solutions	Billing	
Hector Koong	Solution Architect	C4C/CRM	
Praveen Bandaru	Senior Consultant	C4C/CRM	
Jason Mok	Senior Consultant	Middleware, Interfaces, SAP PI, CRM	

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
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Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

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**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 5**

With regard to FirstEnergy's Answer and New Matter ¶ 22, has FirstEnergy or any of its affiliates ever terminated electric service to a customer for failing to pay non-commodity charges on their utility bill? Describe each and every incident in the most recent 5 years including the date of any termination, the service territory and the duration of the termination.

RESPONSE:

Consistent with the Companies' objections, no information will be provided related to the Companies' parent company, FirstEnergy Corp., or the Companies' affiliate utilities in other jurisdictions. The Companies do not terminate electric service to a customer for failing to pay the Companies' non-commodity charges and have no record or knowledge of any such occurrence.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 6

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

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**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 6**

Does FirstEnergy or any of its affiliates allow charges for non-commodity products and services to be paid using budget billing? If the answer is anything but "No", explain how such charges are separated from regulated charges, and describe the mechanism for ensuring that customers are not terminated for failing to pay charges for non-commodity charges in that context?

RESPONSE:

Consistent with the Companies' objections, no information will be provided related to the Companies' parent company, FirstEnergy Corp., or the Companies' affiliate utilities in other jurisdictions. Regarding the Companies, the answer is no.

Metropolitan Edison Company, Pennsylvania Electric Company,
Pennsylvania Power Company and West Penn Power Company
Response to Interstate Gas Supply, Inc, Direct Energy Services, LLC
and Shipley Choice, LLC Interrogatory Set I, No. 7

Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC

v.

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**Interstate Gas Supply, Inc, Direct Energy Services, LLC and Shipley Choice, LLC
Interrogatory Set I, No. 7**

Please describe in detail the process used by FirstEnergy to include charges on the distribution bill once a consumer has made a decision to purchase a non-commodity product and service. Is there a direct link or data connection from the point of sale to the billing system? If not, please describe how purchases are billed.

RESPONSE:

There is a direct link between the point of sale and the billing system. The customer may enroll in a program either by phone or by placing an order on the Smart-Mart website. In order to verify the customer is eligible to have these products on their bill, the customer's account and order request go through a verification process in the system, which involves validating the customer has an active utility account, that the customer is not in arrears on consumption charges, and that the customer's risk score is below the threshold for the program in which they are attempting to enroll. If the customer is eligible, a contract is created to facilitate the charges with a payment amount, enrollment date and term. The billing system then creates a billable item which goes out to the invoicing system. Once the customer's meter reading is put on the customer's account, an invoice is created. In the process of creating the invoice, the utility billing system checks for non-consumption billable items with that same account number and places the charges on the customer's bill.

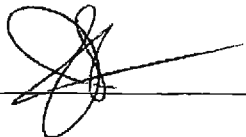
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

INTERSTATE GAS SUPPLY, INC. D/B/A	:	
IGS ENERGY, DIRECT ENERGY	:	
SERVICES LLC AND SHIPLEY CHOICE,	:	
LLC D/B/A SHIPLEY ENERGY	:	
	:	Docket No. C-2019-3013805
v.	:	C-2019-3013806
	:	C-2019-3013807
METROPOLITAN EDISON COMPANY,	:	C-2019-3013808
PENNSYLVANIA ELECTRIC	:	
COMPANY, PENNSYLVANIA POWER	:	
COMPANY, AND WEST PENN POWER	:	
COMPANY	:	

VERIFICATION

I, Julia Enterline, Director, Customer Management, hereby state that the facts set forth herein are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

12/30/2019
Date



**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**INTERSTATE GAS SUPPLY, INC. D/B/A :
IGS ENERGY, DIRECT ENERGY :
SERVICES LLC AND SHIPLEY CHOICE, :
~~LLC D/B/A SHIPLEY ENERGY~~ :**

v.

**METROPOLITAN EDISON COMPANY, :
PENNSYLVANIA ELECTRIC :
COMPANY, PENNSYLVANIA POWER :
COMPANY, AND WEST PENN POWER :
COMPANY :**

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C-2019-3013806

C-2019-3013807

C-2019-3013808

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the individual listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by First Class Mail, postage prepaid, as follows:

Todd S. Stewart
Hawke, McKeon & Sniscak, LLP
100 North 10th Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

Dated: January 6, 2020



Tori L. Giesler
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