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August 18, 2021

VIA ELECTRONIC FILING

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

**Re: Office of Consumer Advocate v. Pennsylvania Power Company
Docket Nos. C-2021-3026811 and M-2021-3026675**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Conference Memorandum of Pennsylvania Power Company the in the above-referenced matter.

As indicated on the attached Certificate of Service, copies have been served on the parties in the manner indicated.

Please contact me with any questions regarding this matter.

Very truly yours,



Tori L. Giesler

kbw
Enclosures

c: As Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office of Consumer Advocate	:	
	:	Docket Nos. C-2021-3026811
v.	:	M-2021-3026675
	:	
Pennsylvania Power Company	:	

**PREHEARING CONFERENCE MEMORANDUM OF
PENNSYLVANIA POWER COMPANY**

Pursuant to the July 27, 2021 Prehearing Conference Order issued by Administrative Law Judge Darlene Heep (“ALJ Heep”) and the Pennsylvania Public Utility Commission’s (“Commission”) regulations at 52 Pa. Code § 5.222(d), Pennsylvania Power Company (“Penn Power”) hereby submits its Prehearing Conference Memorandum in the above-captioned proceeding.

I. PROCEDURAL HISTORY

1. This proceeding was initiated on April 26, 2021, when the Office of Consumer Advocate (“OCA”) filed the above-captioned Formal Complaint against Penn Power. The Formal Complaint seeks a finding by the Commission that costs related to deployment of a new advanced distribution management system (“ADMS”), which system is approved as part of Penn Power’s Commission-approved Long Term Infrastructure Improvement Plan for the period 2020-2024 (“LTIIIP II”), are not eligible for recovery through Penn Power’s Distribution System Improvement Charge (“DSIC”) Rider.

2. Penn Power filed its Answer and New Matter responding to the Formal Complaint on July 19, 2021, generally denying the allegation of the complaint and requesting dismissal.

3. On July 20, 2021, the Commission issued a Call-In Telephone Pre-Hearing

Conference Notice, which scheduled a telephonic Prehearing Conference for August 19, 2021, and assigned ALJ Heep to this proceeding.

4. On July 27, 2021, ALJ Heep issued a Prehearing Conference Order.

II. SERVICE OF DOCUMENTS

5. Penn Power requests that all documents be served on:

Tori L. Giesler (ID # 207742)
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001
Phone: 610-921-6658
E-mail: tgiesler@firstenergycorp.com

Penn Power agrees to receive service of documents electronically in this proceeding and requests that this be used as the primary mode of service for this proceeding.

III. ISSUES

6. The sole substantive issue for resolution in this proceeding centers upon whether Penn Power's ADMS, and the associated capital investment in this system, is considered eligible property for purposes of recoverability under Penn Power's DSIC, as provided for under Sections 1351 and 1353 of the Pennsylvania Public Utility Code, and as interpreted by the Commission in its Order entered on August 2, 2012 in *Implementation of Act 11 of 2012* at Docket No. M-2012-2293611.

7. Procedurally, the issue as to what party bears the burden of proof in this proceeding has been raised. While the parties have been able to agree upon a procedural schedule and other elements to be discussed at the scheduled prehearing conference, they remain at an impasse as to which party carries this burden. The parties are in agreement on the recommendation to ALJ Heep that this issue be preserved for briefing at the conclusion of the evidentiary hearings.

IV. WITNESSES

8. Preliminarily, Penn Power intends to present testimony from the following witnesses in furtherance of its position in this matter:

Scott R. Wyman – As President, Pennsylvania Operations, Mr. Wyman is responsible for all operations related to each of FirstEnergy Corp.’s (“FirstEnergy”) distribution operating companies in Pennsylvania, including Penn Power’s. Mr. Wyman is anticipated to testify as to the relevance of the ADMS to Penn Power’s operations, including why this system is appropriate for inclusion as eligible property as defined by the Pennsylvania Public Utility Code.

Joanne M. Savage – As Director, Rates and Regulatory Affairs – Pennsylvania, Ms. Savage is responsible for the development and oversight of all tariff and recovery-related matters associated with FirstEnergy’s Pennsylvania operations, including Penn Power’s. Ms. Savage is anticipated to testify as to the inclusion of the ADMS-related investment in Penn Power’s DSIC Rider calculations, and the appropriateness thereof.

9. Penn Power also reserves the right to call and present additional witnesses to address any issues that may arise during the course of the proceeding.

V. PROCEDURAL SCHEDULE

10. Penn Power and OCA have worked together to develop an agreed-upon procedural schedule, which they propose as follows:

Company Direct	October 13, 2021
Other Parties' Direct	November 17, 2021
Rebuttal	December 14, 2021
Surrebuttal	January 12, 2022
Rejoinder	January 21, 2022
Hearings	January 26-27, 2022
Main Briefs Due	March 2, 2022

VI. DISCOVERY

11. The parties have already commenced discovery in this proceeding. At this time, Penn Power does not propose any modifications to the Commission's discovery regulations at this time. Penn Power reserves its rights to propose modifications if the schedule adopted in this proceeding differs from that proposed and contains abbreviated periods between rounds of testimony.

VII. SETTLEMENT

12. The Parties have been in active communication. While settlement discussions have not been initiated, the parties are working towards beginning those talks remain committed to an open dialogue regarding possible resolution.

Respectfully submitted,



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Dated: August 18, 2021

Counsel for Pennsylvania Power Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office of Consumer Advocate	:	
	:	Docket Nos. C-2021-3026811
v.	:	M-2021-3026675
	:	
Pennsylvania Power Company	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the Prehearing Conference Memorandum of Pennsylvania Power Company upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by electronic mail only as follows:

The Honorable Darlene Heep
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
801 Market Street, Suite 4063
Philadelphia, PA 19107
Dheep@pa.gov

Erin L. Gannon, Esquire
Laura Antinucci, Esquire
Christine M. Hoover, Esquire
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Dated: August 18, 2021



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