

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held March 2, 2023

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
Stephen M. DeFrank, Vice Chairman
Ralph V. Yanora, Commissioner
Kathryn L. Zerfuss, Commissioner
John F. Coleman, Jr., Commissioner

Securities Certificate of Metropolitan Edison
Company in respect of the proposed issuance and sale
of debt securities and/or credit facilities in an
aggregate principal amount not to exceed \$425
million.

Docket Number:
S-2023-3037582

ORDER

BY THE COMMISSION:

On January 11, 2023, Metropolitan Edison Company (“Met-Ed” or the “Company”), filed the above-captioned securities certificate for registration pursuant to Chapter 19 of the Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.* In conjunction with the filing, the Company voluntarily extended the 30-day consideration period to March 2, 2023.

Met-Ed is a jurisdictional public utility and a wholly-owned, direct subsidiary of First Energy Corp. The Pennsylvania principal office of the Company is located in the City of Reading, Berks County. Met-Ed was organized

under the laws of the Commonwealth of Pennsylvania in 1917. Met-Ed is involved, *inter alia*, in the distribution of electricity and currently serves approximately 580,000 customers within Adams, Berks, Bucks, Chester, Cumberland, Dauphin, Lancaster, Lebanon, Lehigh, Monroe, Montgomery, Northampton, Pike, and York Counties in Pennsylvania.

Met-Ed has no remaining borrowing authority under its formerly Commission-authorized securities certificate.¹ The Company believes it is sensible to secure the flexibility to meet its present and future financing needs so that it may respond quickly to the current market conditions when seeking financing. Therefore, Met-Ed seeks the registration of a securities certificate in an aggregate amount not to exceed \$425 million.

Met-Ed intends to issue and sell unsecured medium-term notes, debentures, and other debt securities, or secured first mortgage bonds (collectively, “Debt Securities”) or to enter into one or more secured or unsecured loan or letter of credit arrangements (each a “Credit Facility”), or any combination of Debt Securities or Credit Facilities. The terms, rates, conditions, and expenses of the proposed financing will not be determined until issuance and will reflect market conditions at that time.

The Company states that the purposes of the debt issuance and credit facilities will be to seek sufficient flexibility to meet its present and future financing needs. Examples of these needs would include refinancing existing indebtedness, including:

- (i) its \$300 million 3.50% Senior Notes due March 15, 2023 and amounts outstanding under the Money Pool and Credit Agreement;

¹ In an Order entered on October 25, 2018, the Commission registered a security certificate of Met-Ed for \$500 million at Docket No. S-2018-3005004.

- (ii) funding of capital expenditures;
- (iii) funding general corporate purposes; or,
- (iv) fund any combination of the above.

Met-Ed avers that the issuance is necessary and that the current securities certificate should be registered.

Met-Ed's regulatory capitalization as of September 30, 2022, was approximately 52% equity and 48% debt. The Company's current corporate credit rating is BBB, A3, and BBB+ by Standard & Poor's, Moody Investor Services, Inc., and Fitch Ratings, respectively.

Compliance checks found that Met-Ed is current with their annual, quarterly, and Security Planning and Readiness report filing requirements, and has no outstanding fines or assessments.

Having reviewed the instant filing, we have determined that Met-Ed's registration of this securities certificate in an aggregate principal of up to \$425 million is necessary or proper for the present and probable future capital needs of the utility; **THEREFORE,**

IT IS ORDERED:

1. That the Securities Certificate of Metropolitan Edison Company to issue debt and credit facilities in an aggregate principal of up to \$425 million is hereby registered.

2. That within 60 days of the issuance of debt pursuant to the instant registration, Metropolitan Edison Company shall notify the Commission of such

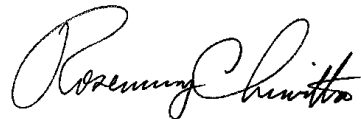
issuance, together with a summary of the type of debt, interest rate, maturity, expenses and call provisions.

3. That this registration of the debt securities will end on December 31, 2025 if issuance has not taken place by that date.

4. That upon completion of issuance pursuant to the Order and submission of the final filing under Ordering Paragraph 2, this case shall be marked closed.

5. Consistent with Section 1903(b) of the Public Utility Code, 66 Pa. C.S. § 1903(b), the registration of the subject securities certificate does not represent Commission approval of the proposed projects for rate recovery pursuant to 66 Pa. C.S. §§ 1301-28.

BY THE COMMISSION



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: March 2, 2023

ORDER ENTERED: March 2, 2023