



COMMONWEALTH OF PENNSYLVANIA

April 21, 2023

**E-FILED**

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

**Re: Joint Application of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, West Penn Power Company, Keystone Appalachian Transmission Company, Mid-Atlantic Interstate Transmission, LLC, and FirstEnergy Pennsylvania Electric Company / Docket Nos. A-2023-3038771, A-2023-3038792, A-2023-3038793, A-2023-3038794, A-2023-3038795, A-2023-3038807, A-2023-3038808, G-2023-3038818, G-2023-3038819, G-2023-3038820, G-2023-303882, G-00020956**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceedings.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Sharon E. Webb*

Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

*Enclosures*

cc: Nakea S. Hurdle  
Kevin Higgins  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Metropolitan Edison :  
Company, Pennsylvania Electric Company, : Docket Nos. A-2023-3038771  
Pennsylvania Power Company, West Penn : A-2023-3038792  
Power Company, Keystone Appalachian : A-2023-3038793  
Transmission Company, Mid-Atlantic : A-2023-3038794  
Interstate Transmission, LLC, and : A-2023-3038795  
FirstEnergy Pennsylvania Electric : A-2023-3038807  
Company for All of the Necessary : A-2023-3038808  
Authority, Approvals, and Certificates of : G-2023-3038818  
Public Convenience for (1) the Agreements : G-2023-3038819  
and Plans of Merger; (2) the Establishment : G-2023-3038820  
of FirstEnergy Pennsylvania Holding : G-2023-3038821  
Company LLC as an Intermediate Holding : G-00020956  
Company in the Chain of Ownership of :  
FirstEnergy Pennsylvania Electric :  
Company; (3) the Merger of Metropolitan :  
Edison Company, Pennsylvania Electric :  
Company, Pennsylvania Power Company, :  
and West Penn Power Company with and :  
into FirstEnergy Pennsylvania Electric :  
Company; (4) the Initiation by FirstEnergy :  
Pennsylvania Electric Company of Electric :  
Service in All Territories in this :  
Commonwealth where Metropolitan :  
Edison Company, Pennsylvania Electric :  
Company, Pennsylvania Power Company, :  
and West Penn Power Company Do or :  
May Provide Electric Service; (5) the :  
Abandonment by Metropolitan Edison :  
Company, Pennsylvania Electric Company, :  
Pennsylvania Power Company, and West :  
Penn Power Company of All Electric :  
Service in this Commonwealth; (6) the :  
Adoption by FirstEnergy Pennsylvania :  
Electric Company of Metropolitan Edison :  
Company, Pennsylvania Electric Company, :  
Pennsylvania Power Company, and West :  
Penn Power Company's Existing Tariffs :  
and their Application within New Service :  
and Rate Districts of FirstEnergy :  
Pennsylvania Electric Company :  
Corresponding to their Existing Service :  
Territories as the Met-Ed Rate District, ii :  
Penelec Rate District, Penn Power Rate :  
District, West Penn Rate District, and The :

Pennsylvania State University Rate :  
 District, Respectively; (7) the sale of Class :  
 B Membership Interests in Mid-Atlantic :  
 Interstate Transmission, LLC held by :  
 Met-Ed and Penelec to FirstEnergy Corp.; :  
 (8) the Contribution of West Penn Power :  
 Company's Transmission Assets to :  
 Keystone Appalachian Transmission :  
 Company; (9) a Certificate of Public :  
 Convenience Conferring Upon Keystone :  
 Appalachian Transmission Company the :  
 Status of a Pennsylvania Public Utility; :  
 (10) Where Necessary, Associated :  
 Affiliated Interest Agreements; and (11) :  
 Any Other Approvals Necessary to :  
 Complete the Contemplated Transaction :

**PREHEARING MEMORANDUM**  
**OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

**I. INTRODUCTION**

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in that matter as follows:

Sharon E. Webb  
 Nakea S. Hurdle  
 Assistant Small Business Advocates  
 Office of Small Business Advocate  
 Forum Place  
 555 Walnut Street, 1<sup>st</sup> Floor  
 Harrisburg, Pennsylvania 17101  
 (717) 783-2525  
 (717) 783-2831 (fax)

[swebb@pa.gov](mailto:swebb@pa.gov)  
[nhurdle@pa.gov](mailto:nhurdle@pa.gov)

## **II. FILING BACKGROUND**

Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”), West Penn Power Company (“West Penn”), Keystone Appalachian Transmission Company (“KATCo”), Mid-Atlantic Interstate Transmission, LLC (“MAITCo”), and FirstEnergy Pennsylvania Electric Company (“FE PA”) (hereafter, “Joint Applicants”) filed the above referenced Joint Application (“*Joint Application*”) which seeks to merge Met-Ed, Penelec, Penn Power, and West Penn into FE PA. Application at 1.

The OSBA filed a Notice of Intervention and Protest in response to the *Joint Application* on March 23, 2023.

## **III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Kevin C. Higgins  
Principal, Energy Strategies  
111 East Broadway, Suite 1200  
Salt Lake City, Utah 84111  
(801) 355-4365  
(801) 521-9142 – Fax  
[khiggins@energystrat.com](mailto:khiggins@energystrat.com)

The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by the Joint Applicants, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether a certificate of public convenience (required under Section 1102 of the Public Utility Code) should be issued as requested by the *Joint Application*. Section 1103(a) of the Public Utility Code, 66 Pa. C.S. § 1103(a), allows the Commission to issue a certificate only upon a finding or determination that the granting of such certificate is “necessary or proper for the service, accommodation, convenience, or safety of the public.”

2. Whether the *Joint Application* meets the requirements set forth by the Pennsylvania Supreme Court, whereby satisfying the Section 1103(a) standard requires the Commission to find that a proposed restructuring would “affirmatively promote the ‘service, accommodation, convenience, or safety of the public’ in some substantial way.” *City of York v. Pennsylvania Public Utility Commission*, 449 Pa. 136, 141, 295 A.2d 825, 828 (Pa. 1972).

3. Whether the approval of the *Joint Application* will result in the increased administrative, operational, capital and regulatory efficiencies claimed in paragraph 117 and 118, beyond those already achieved through joint corporate ownership of the utilities and acknowledged in the *Joint Application*.

4. What specific implications the *Joint Application* would have on base rates proceedings for each of the utility divisions, in light of the absence of any clear indication in the *Joint Application*.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

#### **IV. SERVICE OF DOCUMENTS**

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date<sup>1</sup> as satisfying the in-hand requirement. The OSBA requests that electronic copies be provided to its witness identified above. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witnesses identified above.

#### **V. SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

#### **VI. HEARING AND BRIEFING SCHEDULE**

At the time of this writing, the parties are discussing a proposed procedural schedule. The OSBA will continue to work with the parties to arrive at a mutually acceptable hearing schedule.

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<sup>1</sup> In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

**VII. DISCOVERY MODIFICATIONS**

At the time of this writing, the parties are also discussing possible modifications to the discovery timeframes.

Respectfully submitted,

*/s/ Sharon E. Webb*

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Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID # 73995

Office of Small Business Advocate  
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Harrisburg, PA 17101  
(717) 783-2525  
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Dated: April 21, 2023

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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for All of the Necessary Authority,	:	A-2023-3038808
Approvals, and Certificates of Public	:	G-2023-3038818
Convenience for (1) the Agreements and	:	G-2023-3038819
Plans of Merger; (2) the Establishment of	:	G-2023-3038820
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Company in the Chain of Ownership of	:	
FirstEnergy Pennsylvania Electric	:	
Company; (3) the Merger of Metropolitan	:	
Edison Company, Pennsylvania Electric	:	
Company, Pennsylvania Power Company,	:	
and West Penn Power Company with and	:	
into FirstEnergy Pennsylvania Electric	:	
Company; (4) the Initiation by FirstEnergy	:	
Pennsylvania Electric Company of Electric	:	
Service in All Territories in this	:	
Commonwealth where Metropolitan Edison	:	
Company, Pennsylvania Electric Company,	:	
Pennsylvania Power Company, and West	:	
Penn Power Company Do or May Provide	:	
Electric Service; (5) the Abandonment by	:	
Metropolitan Edison Company,	:	
Pennsylvania Electric Company,	:	
Pennsylvania Power Company, and West	:	
Penn Power Company of All Electric	:	
Service in this Commonwealth; (6) the	:	
Adoption by FirstEnergy Pennsylvania	:	
Electric Company of Metropolitan Edison	:	
Company, Pennsylvania Electric Company,	:	
Pennsylvania Power Company, and West	:	
Penn Power Company's Existing Tariffs	:	
and their Application within New Service	:	
and Rate Districts of FirstEnergy	:	
Pennsylvania Electric Company	:	
Corresponding to their Existing Service	:	
Territories as the Met-Ed Rate District, ii	:	



Penelec Rate District, Penn Power Rate :  
District, West Penn Rate District, and The :  
Pennsylvania State University Rate District, :  
Respectively; (7) the sale of Class B :  
Membership Interests in Mid-Atlantic :  
Interstate Transmission, LLC held by :  
Met-Ed and Penelec to FirstEnergy Corp.; :  
(8) the Contribution of West Penn Power :  
Company's Transmission Assets to :  
Keystone Appalachian Transmission :  
Company; (9) a Certificate of Public :  
Convenience Conferring Upon Keystone :  
Appalachian Transmission Company the :  
Status of a Pennsylvania Public Utility; (10) :  
Where Necessary, Associated Affiliated :  
Interest Agreements; and (11) Any Other :  
Approvals Necessary to Complete the :  
Contemplated Transaction :

### **CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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The Honorable Emily I. DeVoe  
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DATE: April 21, 2023

*/s/ Sharon E. Webb*

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