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April 21, 2023

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

VIA ELECTRONIC FILING

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 for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) the Agreements and Plans of Merger; 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-2023-3038821, G-00020956

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Joint Prehearing Memorandum of the Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups"), in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Charis Mincavage'.

Charis Mincavage
MCNEES WALLACE & NURICK LLC

c: Administrative Law Judge Conrad A. Johnson (via e-mail)
Administrative Law Judge Emily I. DeVoe (via e-mail)
Nicholas Miskanic, Legal Assistant (via e-mail)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the participants, listed below, in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Counsel to the Met-Ed Industrial Users
Group, the Penelec Industrial Customer
Alliance, and the West Penn Power
Industrial Intervenors

Dated this 21st day of April, 2023, in Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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 for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) the Agreements and Plans of Merger	: 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-2023-3038821 : G-00020956
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**JOINT PREHEARING MEMORANDUM OF
THE MET-ED INDUSTRIAL USERS GROUP,
THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND
THE WEST PENN POWER INDUSTRIAL INTERVENORS**

Pursuant to the April 13, 2023, Prehearing Conference Order issued by Administrative Law Judges (“ALJ”) Conrad A. Johnson and Emily I. DeVoe, the Met-Ed Industrial Users Group (“MEIUG”), the Penelec Industrial Customer Alliance (“PICA”), and the West Penn Power Industrial Intervenors (“WPPII”) (collectively, “Industrial Customer Groups”) hereby submit this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On March 6, 2023, the 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 (“MAIT”), and FirstEnergy Pennsylvania Electric Company (“FE PA”) (collectively, “Companies”) filed a Joint Application (“Application”) with

the Pennsylvania Public Utility Commission (“Commission” or “PUC”) for approval of several transactions that would, among other things, merge Met-Ed, Penelec, Penn Power, and West Penn into FE PA. *See* Application at ¶ 1. As part of this consolidation, Met-Ed, Penelec, Penn Power, and West Penn sought to abandon their right and obligation to provide electric service in their service territories, with the intention of FE PA being issued a Certificate of Public Convenience to serve those customers. *Id.* at ¶ 75.

The Application also sought to transfer, through a series of sales and contributions, all of the transmission assets owned by West Penn to KATCo, as well as transfer the Class B membership interest in MAIT held by Met-Ed and Penelec to FirstEnergy Corp. *Id.* at ¶ 4. Per the Application, the end result of the transactions would be the separation of FirstEnergy’s Pennsylvania distribution assets, which would be owned by FE PA, from FirstEnergy’s Pennsylvania transmission assets, which would be owned by KATCo and MAIT.

On April 14, 2023, the Industrial Customer Groups filed a Petition to Intervene and Protest in this proceeding. A description of the Industrial Customer Groups is set forth in Paragraphs 1 and 3 of their Petition to Intervene. A Prehearing Conference has been scheduled in this proceeding for April 25, 2023.

II. ANTICIPATED ISSUES AND SUB-ISSUES

The Industrial Customer Groups’ preliminary review of the Companies’ Application indicates a need for Commission review of at least the following issues:

- a. Whether the proposed Application demonstrates that an affirmative benefit to the public will result upon approval of the Application;
- b. Whether the proposed transactions set forth in the Application affirmatively promote the service, accommodation, convenience, or safety of the public in a substantial way;

- c. Whether further Commission review is required to determine whether the benefits claimed by the Companies are substantive and result in an affirmative benefit to the public;
- d. Whether the alleged benefits of the consolidation are outweighed by the costs of the merger;
- e. Whether additional information is required to confirm that the costs to achieve the merger are properly allocated between ratepayers and shareholders; and
- f. What impact the merger will have on both current and future rates, including the timing of future distribution rate cases, Default Service Plan proceedings, and Energy Efficiency and Conservation Plans.

The Industrial Customer Groups anticipate pursuing these issues during this proceeding, as necessary, and reserve the right to raise further issues and to respond to all matters raised by other parties.

III. PROPOSED WITNESSES

The Industrial Customer Groups are currently evaluating whether they will sponsor testimony in this proceeding. If the Industrial Customer Groups opt to sponsor testimony, they will immediately inform the ALJs and the parties of any intended witnesses and their areas of testimony. The Industrial Customer Groups also intend to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

IV. LIST OF ANY EXHIBITS OR DOUMENTS

The Industrial Customer Groups will not be presenting any exhibits or documents during the April 25, 2023, Prehearing Conference. The Industrial Customer Groups reserve their right to present any exhibits or documents as part of the evidentiary hearings in this proceeding.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

The Industrial Customer Groups will cooperate with the ALJs and the parties at the Prehearing Conference to finalize a complete procedural schedule. The Industrial Customer Groups will also cooperate with the ALJs and the parties to develop appropriate discovery rules in accordance with the Commission's regulations and any ALJ directives.

VI. POSSIBILITY OF SETTLEMENT

The Industrial Customer Groups are willing to participate in discussions with the parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: April 21, 2023