

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17120**

**FIRSTENERGY PENNSYLVANIA  
ELECTRIC COMPANY**

**PUBLIC MEETING OF DECEMBER 7, 2023  
3038771-ALJ  
DOCKET NO. 'A-2023-3038771 ET AL**

**STATEMENT OF VICE CHAIR KIMBERLY BARROW**

Today, I address the merger of the four First Energy electric utilities in Pennsylvania into a single entity, FE PA. Before us for consideration is the Joint Petition for Approval of Settlement of seven settling parties and four non-opposing parties. I thank the parties for their work in this proceeding, which will restructure the existing First Energy utilities and create the single largest electric utility in the state, serving about one third of Pennsylvania's electric load.

Although on balance many of the provisions of the Joint Petition may be in the public interest, three items give me pause—the potential for First Energy to move its customer service call center operations out of Pennsylvania after five years, the lack of a rate case stayout, and a need for reporting rules for each historical component.

As the Settlement currently reads, First Energy commits to retaining its customer service call center in Pennsylvania for five years. After that, First Energy only commits to “take steps to ensure that a Pennsylvania-focused presence and awareness is represented within its contact center operations through means including targeted recruiting efforts for Pennsylvania-based representatives, inclusion of a Pennsylvania-focused refresher training module to be provided to all representatives taking calls from FE PA customers, and advance notice and discussion with the parties to this settlement of FE PA's plans to eliminate and otherwise provide for the services enjoyed by the Joint Applicants' customers by the Reading, Pennsylvania contact center.”<sup>1</sup>

According to transaction survey statistics provided to PUC's Bureau of Consumer Services, of First Energy's residential and small business customers surveyed in 2022, approximately 78.5 % of customers that contacted First Energy's customer service center were somewhat satisfied or very satisfied with the ease of reaching the utility and approximately 93% of customers were satisfied with the handling of the contact to the utility. Additionally, approximately 95.5 % of the customers surveyed were satisfied with the courtesy of the customer service representatives, and 93% were satisfied with the representative's knowledge. Only 87.75 % of First Energy's customers reported in 2022 that they were satisfied with the utility's overall customer service.<sup>2</sup>

In past mergers, the Commission has highlighted that customer service representatives located in Pennsylvania results in a public benefit to Pennsylvania customers. This principle has been

---

<sup>1</sup> Joint Petition for Approval of Settlement, ¶49(b).

<sup>2</sup> 2022 Customer Service Performance Report, available at <https://www.puc.pa.gov/media/2566/2022-customer-service-performance-report-final-092623.pdf>.

enforced through Commission order numerous times.<sup>3</sup> These precedents were correct, and I continue to believe that the best method to ensure the representation of a “Pennsylvania-focused presence and awareness” and to improve these statistics is to continue to operate a call center in Pennsylvania and prioritize efforts to provide training and refresher training for customer service professionals based here. The staff of the call center will work best when they understand the Pennsylvania-mandated customer service and billing requirements and rights afforded to the customers of First Energy. It is also important that customer service representatives understand the lived experiences of the electric customers in the state where they operate. In a typical corporate merger proceeding of two utilities, synergy savings are realized by the consolidation of two corporations with some loss of jobs or relocation of positions usually experienced. The majority of the instant merger involves the four First Energy distribution companies already physically located in Pennsylvania. I believe that the settling parties missed a chance to secure a substantial affirmative benefit for the Commonwealth as far as jobs and economic stability by not requiring that the call center currently located in Reading at least remain in Pennsylvania.

The Joint Petition is also missing a rate case stayout. When utilities reorganize as significantly as First Energy proposes here, the Commission and the public should not expect that the utilities’ costs will be smoothly continuous between the pre- and post-merger companies. A rate case stayout is typically used to embed the gradualism principle so that ratepayers do not experience rate shock. In this Settlement, that principle is ensured by the requirement that First Energy must wait three rate cases or ten years until full distribution base rate unification.<sup>4</sup> However, a rate case stayout also serves customers by building an evidentiary basis for the eventual rate case. I would expect the rate case to result in a more accurate assessment of the combined First Energy’s costs if there were some real experiences with the combined First Energy’s operations.

Finally, the combined First Energy will now be a massive utility. As I mentioned earlier, the combined First Energy will serve approximately a third of Pennsylvania’s electric load, but its geography will span about three-quarters of Pennsylvania’s land area. That service territory is diverse, from the rural areas that cover much of the state to more population dense areas like Erie, Reading, and York. The combined First Energy will also serve all four corners of the state. I believe it would have been appropriate for the Settlement to include an agreed-upon more granular geographic reporting requirement for First Energy’s non-rate information, such as its interconnection reports, customer service reporting, and annual resource planning reports. This would assist the Commission and the public in better understanding the factors behind each region’s needs, issues, and potential solutions.

**December 7, 2023**  
**Date**

  
**Kimberly Barrow, Vice Chair**

---

<sup>3</sup> See *Joint Application of Aqua and Peoples Natural Gas*, Docket No. A-2018-3006061 (Order entered January 24, 2020); *Joint Application of Peoples Hope Gas Companies and Peoples Natural Gas*, Docket No. A-2008-2063737 (November 19, 2009); Initial Decision, *Application of Communities Utilities of Pennsylvania, Inc.*, Docket No. A-2022-3036744 (July 31, 2023); Initial Decision, *Application of Duquesne Light Company*, Docket No. A-110150 F0035 (Initial Decision applauding choice to keep headquarters and call center in Pittsburgh region).

<sup>4</sup> See Joint Petition, ¶¶32-36.