



**September 17, 2024**

To: All Parties of Record at Docket Nos.:  
M-2022-3036532, M-2022-3036533, M-2022-3036534, & M-2022-3036535  
FirstEnergy PA's Joint Proposed 2024-2028 USECP

**RE: Compliance Review for the FirstEnergy PA Joint Proposed 2024-2028  
USECP**

*Overview*

On March 14, 2024, the Pennsylvania Public Utility Commission (Commission) entered an Order (March 2024 Order) requiring FirstEnergy Pennsylvania Electric Company (FirstEnergy PA) to file a Revised 2024-2028 Universal Service and Energy Conservation Plan (Revised 2024 USECP) reflecting the numerous changes approved or directed in the March 2024 Order within 30 days. March 2024 Order at 113.

On March 29, 2024, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania filed a Petition for Reconsideration and/or Clarification (CAUSE-PA Petition) seeking reconsideration and/or clarification of the Commission's March 2024 Order. On April 18, 2024, FirstEnergy PA filed a letter notifying the Commission it would defer filing a Revised 2024 USECP until the CAUSE-PA Petition was resolved.

On July 11, 2024, the Commission entered an Order on Reconsideration (July 2024 Order) at the captioned dockets addressing the CAUSE-PA Petition. In the July 2024 Order, the Commission directed FirstEnergy PA to, *inter alia*, further amend its 2024 USECP by identifying (1) exemptions to subsidy credit limits; (2) that it will perform outreach to its PCAP<sup>1</sup> customers when they exceed 50% and 80% of their subsidy credit limits; and (3) keep customers that exceed their maximum subsidy credit limits in PCAP. July 2024 Order at 32, OP#5.

On August 30, 2024, FirstEnergy PA filed clean and red-lined versions of its Revised 2024 USECP relative to the requirements in the March 2024 and July 2024 Orders (August 30 Compliance Filing).<sup>2</sup> To date, no protests or other responsive pleadings have been filed relative to the August 30 Compliance Filing.

As directed in the March 2024 Order, the Commission's Bureau of Consumer Services (BCS) reviewed the August 30 Compliance Filing to determine its compliance with the March 2024 and July 2024 Orders. BCS has identified two areas where the August 30 Compliance Filing is inconsistent with the March 2024 Order. BCS has determined that the August 30 Compliance Filing is consistent with the July 2024 Order.

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<sup>1</sup> PCAP is FirstEnergy PA's Customer Assistance Program, one of the four mandatory programs in a USECP.

<sup>2</sup> Unless otherwise specified, all references to the Revised 2024 USECP in the August 30 Compliance Filing refer to the "clean" version of the Revised 2024 USECP.

### *Security Deposits*

In the March 2024 Order, the Commission directed FirstEnergy PA to clarify in its Revised 2024 USECP that it will “[refund] security deposits directly to customers, with applicable interest, when they are determined income eligible for PCAP. Security deposits can only be applied to the account balance with the customer’s informed consent.” March 2024 Order at 116, OP #5(i). In its Revised 2024 USECP, FirstEnergy PA states that “Security deposits are not assessed on PCAP accounts in accordance with 2019 Amendments to the CAP Policy Statement. Upon PCAP enrollment, a held deposit (if any) is refunded directly to the customer.” August 30 Compliance Filing at 23.

This provision is not consistent with the directive in the March 2024 Order. It does not address whether FirstEnergy PA will refund security deposits for customers who are determined income-eligible for PCAP (*e.g.*, this could include customers who issue FirstEnergy PA a LIHEAP grant but are not enrolled in PCAP) and whether the security deposit will be returned with applicable interest.

### *WARM Incidental Repair Parameters and Allowance*

In the March 2024 Order, the Commission directed FirstEnergy PA to (1) work with its universal service advisory committee (USAC) to establish parameters and an allowance threshold for performing incidental repairs in WARM<sup>3</sup> and (2) file and serve an amendment to its 2024 USECP within six months of the entry date of the March 2024 Order (*i.e.*, by Monday, September 16, 2024) with the proposed incidental repair parameters and allowance threshold. March 2024 Order at 86, 122, OP #18.

The August 30 Compliance Filing includes a new provision setting the WARM incidental repair allowance at 50% of the seasonal allowance budget and providing parameters for allowable incidental repair work. August 30 Compliance Filing at 28-29. In a cover letter to its August 30 Compliance Filing, however, FirstEnergy PA reported that it intends to file a Petition to Amend its 2024 USECP “relating to proposed parameters and an allowance threshold for incidental repairs once it receives the appropriate feedback from its USAC.” August 30 Compliance Filing, Cover Letter at 1.

As this new provision regarding the WARM incidental repair allowance and parameters was not considered by the USAC or the Commission or approved by the Commission in its March 2024 or July 2024 Orders, it should not have been included as part of FirstEnergy PA’s August 30 Compliance Filing. FirstEnergy PA must remove this provision and, after consulting with its USAC, submit a proposal addressing the parameters and allowances to amend its 2024 USECP. Through this Secretarial Letter, FirstEnergy PA is granted an extension until December 31, 2024, to work with its USAC and submit this proposal.

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<sup>3</sup> WARM is FirstEnergy PA’s Low Income Usage Reduction Program (LIURP).

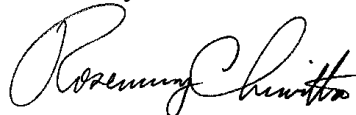
*Conclusion*

Accordingly, within 20 days, FirstEnergy PA is directed to file and serve a Further Revised 2024 USECP that addresses the issues identified in this Secretarial Letter. FirstEnergy PA may submit its Further Revised 2024 USECP to BCS for an informal compliance review prior to filing. Furthermore, by December 31, 2024, FirstEnergy PA shall file and submit its proposal to establish parameters and allowance thresholds for performing incidental repairs in its WARM program after consulting with its USAC via a Petition to Amend its 2024 USECP at these dockets.

The determinations in this Secretarial Letter have been made by BCS staff under authority delegated by the Commission. Parties have the right to seek reconsideration of this staff action. These determinations relative to the requirement of a Further Revised Amended 2024 USECP by BCS staff will be deemed to be the final action of the Commission unless reconsideration of the directives in this Secretarial Letter is sought from the Commission within 20 days after service of this Secretarial Letter. *See* 52 Pa. Code § 5.44 (relating to petitions for appeal from actions of the staff).

Questions may be directed to Jennifer Johnson in the Commission's Bureau of Consumer Services at [jennifjohn@pa.gov](mailto:jennifjohn@pa.gov).

Sincerely,



Rosemary Chiavetta  
Secretary

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