

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

**PA Public Utility Commission, et al.**  
**vs.**  
**FirstEnergy Pennsylvania Electric**  
**Company**

**Public Meeting of November 21, 2024**  
**3047068-ALJ**  
**Docket No. R-2024-3047068, et al.**

**STATEMENT OF VICE CHAIR KIMBERLY BARROW**

Before us for consideration is the Recommended Decision (R.D.) of Administrative Law Judges (ALJs) Katrina L. Dunderdale and Emily I. DeVoe, issued on October 15, 2024, in the above-captioned proceeding. The ALJs granted the Joint Petition for Approval of Settlement of All Issues (Settlement) filed on September 13, 2024, by FirstEnergy Pennsylvania Electric Company (FE PA or Company),<sup>1</sup> the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania, Large Industrial Users Group,<sup>2</sup> Walmart, Inc., the UWUA System Local 102, the International Brotherhood of Electrical Workers Local 459 and the International Brotherhood of Electrical Workers Local 777.

The ALJs recommend approval of the Settlement, which, *inter alia*, permits FE PA to increase its overall base rates by approximately \$225 million per year rather than the Company's original request of approximately \$502 million.<sup>3</sup>

While I agree with the ALJs' Recommended Decision to approve the Settlement, I would like to note that in the Merger Proceeding, FE PA, *inter alia*, committed to tracking savings in operating expenses achieved as the result of the merger and that those savings will be flowed back to ratepayers in the future. In this rate case, FE PA indicated that it continues to track the savings but due to the proximity of the rate filing to the closing of the merger, it is not able to quantify savings yet. FE PA, however, noted that it will continue to track savings consistent with the Merger Proceeding and address those savings in future rate cases.

I look forward to reviewing the merger savings in future rate cases.

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<sup>1</sup> On December 7, 2023, the Commission approved the merger of Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn) into FE PA at Docket Nos. A-2023-3038771, et al (Merger Proceeding).

<sup>2</sup> This group is comprised of the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance and the West Penn Power Industrial Intervenors.

<sup>3</sup> The Settled Rates for the four Rate Districts are as follows: Met-Ed - \$39.6 million or 8.3%; Penelec - \$57.7 million or 12.1%; Penn Power - \$24.9 million or 19%; and West Penn - \$102.7 million or 24%.

Furthermore, in the Settlement, the Company agreed to a cumulative improvement in reliability that would result in a reduction of the weighted average System Average Interruption Duration Index (“SAIDI”) by 3.5% and System Average Interruption Frequency Index (“SAIFI”) by 2.5%, three years following implementation of the rate increase provided for in this Settlement.

Again, I look forward to the Company making good on these commitments and improving the reliability of its electric distribution operations with the additional revenue resulting from this rate case. A progress report of these efforts should be included in FE PA’s next base rate filing.

Given all of the above, I find the settled rate increases to be reasonable and in the public interest.

November 21, 2024

  
Kimberly Barrow, Vice Chair