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File #: 196522

July 14, 2025

VIA ELECTRONIC FILING

Matthew L. Homsher
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Application of FirstEnergy Pennsylvania Electric Company for Approval of Certificates of Public Convenience to Acquire Certain Electric Distribution Facilities from Letterkenny Industrial Development Authority and for the Right to Initiate and Provide Electric Distribution Service in portions of Letterkenny, Greene, and Hamilton Townships, Franklin County, Pennsylvania
Docket No. A-2023-3043428**

Dear Secretary Homsher:

Enclosed for filing is FirstEnergy Pennsylvania Electric Company's ("FE PA" or the "Company") Petition to Modify the June 13, 2024 Opinion and Order in the above-captioned proceeding.

As set forth in the Petition, after the Pennsylvania Public Utility Commission ("Commission") issued its June 13, 2024 Opinion and Order, FE PA and the Letterkenny Industrial Development Authority ("LIDA") determined that it was necessary to amend the Asset Purchase Agreement ("Agreement") that was included with the original Application as **CONFIDENTIAL Appendix A** and was approved by the Commission. Specifically, the Agreement's provisions contemplated a closing date by December 31, 2024. The closing did not take place by that date, so FE PA and LIDA seek to change certain terms and conditions in the Agreement to reflect a new anticipated closing date of December 15, 2025, as set forth in the **CONFIDENTIAL Appendix A-1** attached hereto.

Moreover, to ensure that the Company and LIDA can close by December 15, 2025, FE PA respectfully requests that the Commission issue an Order granting this Petition and modifying the Commission's June 13, 2024 Opinion and Order accordingly no later than November 20, 2025.

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Furthermore, FE PA notes that Proprietary and Non-Proprietary copies of this filing are being submitted. The Non-Proprietary version is enclosed and is being electronically filed through the Commission's eFiling website. The Proprietary version is not enclosed and is being uploaded separately to the Commission's ShareFile folder for confidential filings.

The Proprietary version contains proprietary and competitively-sensitive nature, namely **CONFIDENTIAL Appendix A-1**, which is a copy of Amendment No. 2 to the Agreement. Accordingly, FE PA respectfully requests that the Proprietary version of the Application be afforded proprietary treatment and placed in a non-public folder.

The parties listed on the enclosed Certificate of Service, with the exception of LIDA, are being served with the Non-Proprietary copy of the filing.

Respectfully submitted,



Devin Ryan

DR/sa
Attachments

cc: Jordan Van Order (*via email; w/attachments*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this filing has been served upon the following:

VIA EMAIL ONLY

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Date: July 14, 2025



Devin T. Ryan, Esquire

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of FirstEnergy Pennsylvania :
Electric Company for Approval of :
Certificates of Public Convenience to :
Acquire Certain Electric Distribution :
Facilities from Letterkenny Industrial : Docket No. A-2023-3043428
Development Authority and for the Right :
to Initiate and Provide Electric Distribution :
Service in portions of Letterkenny, Greene, :
and Hamilton Townships, Franklin :
County, Pennsylvania :

**PETITION OF FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY TO
MODIFY THE JUNE 13, 2024 OPINION AND ORDER**

Pursuant to 52 Pa. Code § 5.41 and 66 Pa.C.S. § 703(g), FirstEnergy Pennsylvania Electric Company (“FE PA” or the “Company”) respectfully requests that the Pennsylvania Public Utility Commission (“Commission”) modify its June 13, 2024 Opinion and Order (“*June 2024 Order*”). In the Order, the Commission approved FE PA’s Application pursuant to Sections 507 and 1102(a)(1) and (3) of the Public Utility Code, 66 Pa.C.S. §§ 507, 1102(a)(1) and (3), to acquire certain electric distribution facilities from the Letterkenny Industrial Development Authority (“LIDA”) and to initiate and provide electric distribution service in portions of Letterkenny, Greene, and Hamilton Townships in Franklin County. After the Commission’s issuance of the *June 2024 Order*, FE PA and LIDA determined that it was necessary to amend the Asset Purchase Agreement (“Agreement”) that was included with the original Application as **CONFIDENTIAL Appendix A** and was approved by the Commission. Specifically, the Agreement’s provisions contemplated a closing date by December 31, 2024. The closing did not take place by that date, so FE PA and LIDA seek to change certain terms and conditions in the Agreement to reflect a new anticipated closing date of December 15, 2025, as set forth in the **CONFIDENTIAL Appendix**

A-1 attached hereto. Moreover, to ensure that the Company and LIDA can close by December 15, 2025, FE PA respectfully requests that the Commission issue an Order granting this Petition and modifying the *June 2024 Order* accordingly no later than November 20, 2025.

In support thereof, FE PA states the following:

I. INTRODUCTION

1. FE PA is a wholly-owned subsidiary of FirstEnergy Corp.
2. FE PA is a “public utility” as defined in Section 102 of the Public Utility Code, 66 Pa.C.S. § 102, and an “electric distribution company” and “default service provider” as defined in Section 2803 of the Public Utility Code, 66 Pa.C.S. § 2803.
3. LIDA was created to redevelop up to 1,200 acres that Letterkenny Army Depot (“LEAD”) was to return to the community as part of the 1995 round of base realignments and closings. LIDA also acquired the various utility systems (electric, water, wastewater) from LEAD at that time.
4. Under its governing statute, the Economic Development Financing Law, LIDA’s primary role is to effectuate economic redevelopment and manage real estate in Franklin County. LIDA’s primary purpose and vision is not to serve as a long-term owner or operator of utility systems.¹ To allow LIDA to focus on its statutory objectives and obligations to economically revitalize Franklin County near the Army Depot, LIDA sold its water and wastewater utilities to York Water and, under the Asset Purchase Agreement, will sell the LIDA electric facilities to FE PA subject to the Commission’s approval.

¹ See *Petition of Letterkenny Indus. Dev. Auth. for Declaratory Order*, Docket No. P-00981345 (Order entered Nov. 19, 1998).

5. FE PA operates and maintains the LIDA electric distribution system (“EDS”) on behalf of LIDA pursuant to an Operations & Maintenance Agreement (“O&M Agreement”) dated January 1, 2011 between FE PA and LIDA.

6. On April 11, 2022, West Penn Power Company (“West Penn”), one of FE PA’s predecessor entities, received a notice from LIDA that LIDA intended to sell the EDS, offering West Penn the first option on the purchase. The parties entered into a non-disclosure agreement and negotiations commenced.

7. On January 9, 2023, West Penn and LIDA executed a Letter of Intent (“LOI”) memorializing the key terms on a purchase of the EDS while working towards a definitive purchase agreement.

8. On August 16, 2023, West Penn and LIDA executed the Agreement.

9. On September 21, 2023, West Penn and LIDA executed an amended Agreement.

10. On October 5, 2023, West Penn filed the above-captioned Application with the Commission.

11. On November 6, 2023, the Office of Small Business Advocate (“OSBA”) filed a Protest to the Application.

12. On January 1, 2024, FirstEnergy Corp.’s Pennsylvania operating companies (i.e., Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn) merged into FE PA.

13. On February 16, 2024, OSBA filed a Notice of Withdrawal.

14. On March 7, 2024, the Office of Administrative Law Judge issued an Order transferring the Application to the Commission’s Bureau of Technical Utility Services for further review and investigation.

15. On June 13, 2024, the Commission entered its *June 2024 Order* approving the Application.

II. LEGAL STANDARDS

16. Section 507 of the Code, 66 Pa.C.S. § 507, provides that, except for contracts between a public utility and a municipal corporation to furnish service at tariff rates, no contract or agreement between a public utility and a municipal corporation shall be valid unless filed with the Commission at least 30 days prior to its effective date.

17. Here, the Agreement is subject to the provisions of Section 507 because it is a contract between FE PA, a public utility, and LIDA, an authority created under the laws of the Commonwealth and, as such, a municipal corporation under the Pennsylvania Public Utility Code.

18. Section 5.41 of the Commission’s regulations govern petitions for relief and requires that a petition “be in writing” and “state clearly and concisely the interest of the petitioner in the subject matter, the facts and law relied upon, and the relief sought.” 52 Pa. Code § 5.41(a).

19. Further, a copy of the petition must be “served on all persons directly affected and on other parties whom petitioner believes will be affected by the petition,” as well as the statutory parties. *Id.* § 5.41(b).

III. THE COMMISSION SHOULD GRANT THE PETITION AND MODIFY ITS *JUNE 2024 ORDER*

20. The Commission should modify its *June 2024 Order* to approve the amendment to the Agreement set forth in **CONFIDENTIAL Appendix A-1**.

21. As explained previously, the Agreement approved as part of the *June 2024 Order* contemplated a closing date by December 31, 2024. (See Application, CONFIDENTIAL Appx. A.)

22. The closing did not take place by December 31, 2024, and is now anticipated to occur by December 15, 2025.

23. Therefore, FE PA and LIDA executed an amendment to the Agreement, a copy as set forth in the **CONFIDENTIAL Appendix A-1** attached hereto, which seeks to modify certain terms and conditions in the Agreement.

24. In particular, the amendment modifies the purchase price provisions in Section 2.06(a) of the Agreement and the termination provisions set forth in Section 11.01(b) of the Agreement. (See **CONFIDENTIAL Appendix A-1**, pp. 1-2.)

25. The amended provisions are necessary to reflect: (a) the passage of time since the Commission issued its *June 2024 Order*; and (b) the new anticipated closing date of December 15, 2025.

26. The amended provisions were subject to arm's-length negotiations and "locked in" the purchase price for the pre-2025 assets as of the original closing deadline (i.e., December 31, 2024). The amended provisions also address improvements to the LIDA EDS since the original closing deadline. To address customer requirements, certain upgrades to the EDS were necessary during 2025, adding value to the EDS. As such, the amendment enables LIDA to be reimbursed at book value for the additional EDS assets being transferred to FE PA. In summary, by locking in the purchase price of the pre-2025 EDS assets, the amendment does not disturb the "value of the bargain" concerning the pre-2025 assets as prescribed in the Agreement and approved by this

Commission in its *June 2024 Order* and also enables LIDA to be reimbursed for its additional investment in the EDS being conveyed to FE PA.

27. The amended provisions of the Commission-approved Agreement will provide affirmative benefits to the public interest because they are narrowly tailored to facilitate the closing of the transaction, previously found by the Commission as necessary and proper for the service, accommodation and convenience of the public, and reflect the value of the additional assets being conveyed to FE PA due to customer-required upgrades to the LIDA system that occurred after the anticipated close date and which LIDA and its customers funded.

28. Further, to ensure that the Company and LIDA can close on the transaction by December 15, 2025, FE PA respectfully requests that the Commission issue an Order granting this Petition and modifying the *June 2024 Order* as requested herein no later than November 20, 2025.

IV. CONCLUSION

WHEREFORE, FirstEnergy Pennsylvania Electric Company respectfully requests that the Pennsylvania Public Utility Commission grant this Petition and amend its June 13, 2024 Opinion accordingly by no later than November 20, 2025, to facilitate closing on the transaction by December 15, 2025.

Respectfully submitted,



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Dated: July 14, 2025

Attorneys for FirstEnergy Pennsylvania Electric Company

Appendix A-1

CONFIDENTIAL

VERIFICATION

I, David Young, Rates Consultant of FirstEnergy Pennsylvania Electric Company, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: July 14, 2025

Signed by:

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David Young