

DANIEL B. MARKIND, ESQUIRE

Member of the PA, NJ & NY bars

Direct Dial: (215) 279-9906

E-Mail: Daniel.Markind@Flastergreenberg.com

August 31, 2026

VIA E-FILING

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

**Re: PETITION OF FIRSTENERGY PENNSYLVANIA ELECTRIC
COMPANY FOR APPROVAL OF ITS DEFAULT SERVICE
PROGRAM FOR THE PERIOD JUNE 1, 2027 TO MAY 31, 2031.
Docket No. P-2026-3060298**

Dear Secretary Homsher:

Enclosed for electronic filing please find Dimension PA 1 LLC's Exceptions with Respect to Recommended Decision by Administrative Law Judges dated August 21, 2026 in the above-referenced matter. The Exceptions will be served on the presiding Administrative Law Judges ("ALJs") and all parties of record as indicated on the Certificate of Service.

Respectfully yours,



Daniel B. Markind

DBM/lm

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF FIRSTENERGY
PENNSYLVANIA ELECTRIC
COMPANY FOR APPROVAL OF
ITS DEFAULT SERVICE PROGRAM
FOR THE PERIOD JUNE 1, 2027 TO
MAY 31, 2031.

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: Docket No. P-2026-3060298
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**EXCEPTIONS FILED BY DIMENSION PA 1, LLC WITH RESPECT TO
RECOMMENDED DECISION BY ADMINISTRATIVE LAW JUDGES DATED
AUGUST 21, 2026**

Dated: August 31, 2026

Daniel B. Markind, Esquire
Mitchell H. Kizner, Esquire
Flaster Greenberg, PC
1717 Arch Street, Suite 3300
Philadelphia, PA 19103
215-279-9906 (telephone)
215-279-9394(fax)
Daniel.markind@flastergreenberg.com
Mitchell.kizner@flastergreenberg.com

Counsel to Dimension PA 1 LLC

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I. INTRODUCTION.

Dimension hereby takes the following exceptions to the Recommended Decision of Administrative Law Judges Mark A. Hoyer and Erin I. Gannon dated August 21, 2026. Dimension submits that the Recommended Decision does not adequately take into account the longstanding reliance of net metering customers on the existing rate structure, and the consequential need for longer grandfathering provisions should there be a change in that structure. The Recommended Decision also approved, without any factual support, a highly questionable provision concerning the preservation of two elements of the existing rate structure that was sprung on the parties only days before the hearing and could wreak havoc on customers. In important respects the Recommended Decision appeared to accept arguments just because they were advanced by the few “settling parties.” This was not fair, reasonable or in the public interest.

II. STANDARD GOVERNING REVIEW OF RECOMMENDED DECISION AND NON-UNANIMOUS DECISION.

The “settlement” entered into here was between a minority of the parties to the proceeding. While Commission policy favors settlements, “the Commission does not rubber stamp settlements without further inquiry.”¹ The settlement must be supported by substantial evidence, the rates agreed to must be fair and reasonable, the settlement must be in the public interest and the settlement must conform to the Commission’s orders and

¹ Pa. PUC v. York Water Co., Docket No. R-00049165 (Order entered October 4, 2004); Pa. PUC v. C. S. Water and Sewer Assoc., 74 Pa. P.U.C. 767 (1991) (CS Water and Sewer).

regulations.² The parties proposing the settlement have the burden of proof to show that it is based on competent evidence and that it is fair and reasonable.³

III. EXCEPTION NUMBER 1: THE RECOMMENDED DECISION DOES NOT PROPERLY TAKE INTO ACCOUNT THE RELIANCE OF CUSTOMERS ON THE EXISTING RATE STRUCTURE AND THE RESULTING NEED FOR LONGER GRANDFATHERING PERIODS.

While Dimension's brief did not oppose FE's proposed change in the rate structure for MRPL, the change in the rate structure for net metering customers sought by FE was sweeping and substantial. That being the case, it was made known to the Court by Dimension, JSA and other parties that for years companies throughout the Commonwealth have made multi-million dollar decisions about solar development based upon the reimbursement for excess energy provided under the rate structure at the time the investment decisions are made. The two-year grandfathering provision proposed by FE recognizes that reliance, but in no way meaningfully takes it into account.

In the PPA decision, the PUC approved a 10-year grandfathering provision as being reasonable. It is not apparent why that duration should not have been the standard adopted here, and there is no record provided by FE establishing why such a shorter period was appropriate in this matter, yet not in the FE matter. While the 10-year provision in PPA was accompanied by a 140 MW cap, JSA advocated in its brief and at trial for such a cap in this matter that would make the two PUC decisions consistent. One could have readily

² Lower Frederick Twp. Water Co. v. Pa. PUC, 409 A.2d 505, 507 (Pa. Cmwlth. 1980) (emphasis added); see also, Brockway Glass Co. v. Pa. PUC, 437 A.2d 1067 (Pa. Cmwlth. 1981).

³ 66 Pa.C.S 315 (a).

been adopted. Therefore, there is no relevant distinction between the facts here and the facts in PPL as it relates to this issue.

IV. EXCEPTION NUMBER 2: THE LAST MINUTE MODIFICATION OF THE FORMULA FOR MRPL IS UNSUPPORTED BY EVIDENCE AND SHOULD HAVE BEEN REJECTED.

The settlement contained an entirely new provision that stated:

For purposes of determining compensation for net excess generation for customer-generators taking service under the Hourly Pricing (“HP”) Rider, the compensation shall include capacity and line loss portions of the HP Rider until May 31, 2041, absent a material change in the capacity markets operated by PJM. In the event of such an occurrence, FE PA will notify and meet with parties to the Settlement, including Walmart, to discuss the proposed changes and their impact on customer-generator compensation at least 30 days in advance of such a PUC filing being made.

While the Court concluded that this provision ameliorated the effect of the change in the rate structure and provided “stability,” there is no evidence presented whatsoever that this would be the case. Indeed, it is just as likely that the opposite will be true. Locking in two components of a rate structure for a period of 15 years, except if FE seeks a change, is not a sound procedure. The elements of a rate structure are ordinarily reviewed

periodically as rate increases are sought. At that time, interested parties are able to advocate for changes based upon the circumstances that exist at the time. Freezing two of these, except if FE wants a change, without any consideration of then current economic circumstances could wreak havoc on customers and be grossly inequitable.

V. EXCEPTION NUMBER 3: THE RECOMMENDED DECISION IS NEITHER FAIR, NOR IN THE PUBLIC INTEREST.

Decisions of the PUC must be fair and in the public interest. Here, the Recommended Decision, if adopted, would lead to great unfairness and could have a stifling effect on the solar industry in Pennsylvania. Solar developers have invested millions of dollars based on an existing formula providing them reimbursement for excess energy production. Now, after their facilities have been built or are close to completion, a major change in the formula will be made which will may well render their investment decisions unsound. The new rate structure should not be quickly applied to them, and a two-year grandfathering provision is not at all adequate.

Furthermore, the provision freezing two aspects of the rate formula, untested by scrutiny, could just as well cause harm to customers by locking in rate components for 15 years that no longer serve the public interest. The fact that only FE can seek to depart from this lock-in only underscores its unfairness. If the freeze serves FE's interests, but is harmful to the public, no departure can be expected.

VI. CONCLUSION

For the reasons stated above, Dimension submits that the settlement be rejected.

Respectfully submitted,



Dated: August 31, 2026

Daniel B. Markind, Esquire
Mitchell H. Kizner, Esquire
Flaster Greenberg, PC
1717 Arch Street, Suite 3300
Philadelphia, PA 19103
215-279-9906 (telephone)
215-279-9394(fax)
Daniel.markind@flastergreenberg.com
Mitchell.kizner@flastergreenberg.com

Counsel to Dimension PA 1 LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing Exceptions filed by Dimension Pa 1, LLC with Respect to Recommended Decision by Administrative Law Judges Dated August 21, 2026 upon the following parties of record in accordance with 52 Pa. Code § 1.54 (relating to service by a participant):

VIA EMAIL:

The Honorable Mark A. Hoyer Deputy Chief Administrative Law Judge Pennsylvania Public Utility Commission Piatt Place, Suite 220 201 Fifth Avenue Pittsburgh, PA 15222 mhoyer@pa.gov	The Honorable Erin L. Gannon Administrative Law Judge Pennsylvania Public Utility Commission Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120 egannon@pa.gov
Kenneth M. Kulak, Esq. Brooke E. McGlinn, Esq. Maggie E. Curran, Esq. Morgan, Lewis & Bockius LLP 1701 Market Street Philadelphia, PA 19103-2921 ken.kulak@morganlewis.com brooke.mcglinn@morganlewis.com maggie.curran@morganlewis.com <i>Counsel for FirstEnergy Pennsylvania Electric Company)</i>	Tori L. Giesler, Esq. Angelina Umstead, Esq. FirstEnergy Service Company 2800 Pottsville Pike Reading, PA 19612-6001 tgiesler@firstenergycorp.com aumstead@firstenergycorp.com <i>Counsel for FirstEnergy Pennsylvania Electric Company)</i>
Harrison W. Breitman, Esq. Olivia M. Spergel, Esq. Katherine M. Kennedy, Esq. Office of Consumer Advocate 5th Floor Forum Place 555 Walnut Street Harrisburg PA 17101-1923 HBreitman@paoca.org OSpergel@paoca.org KKennedy@paoca.org <i>Counsel for Office of Consumer Advocate</i>	Allison C. Kaster, Esq. Director & Chief Prosecutor Pennsylvania Public Utility Commission Bureau of Investigation and Enforcement Commonwealth Keystone Building 400 North Street Harrisburg, PA 17120 akaster@pa.gov

Rebecca Lyttle Office of Small Business Advocate 555 Walnut Street, 1st Floor Harrisburg PA 17101 relyttle@pa.gov	Elizabeth R. Marx, Esq. Lauren N. Berman Esq. Ria M. Pereira Esq. John W. Sweet Esq. Levi Phillips Esq. Pennsylvania Utility Law Project Counsel for CAUSE-PA 118 Locust Street Harrisburg, PA 17101 717-710-3825 emarx@pautilitylawproject.org berman@pautilitylawproject.org rpereira@pautilitylawproject.org jsweet@pautilitylawproject.org lphillips@pautilitylawproject.org <i>Counsel for Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania</i>
Whitney E. Snyder Esquire Eric M. Struble Esquire HMS Legal LLP 501 Corporate Circle, Suite 302 Harrisburg PA 17110 wesnyder@hmslegal.com ewstruble@hmslegal.com <i>Counsel for The Pennsylvania State University</i>	Aron Beatty Esquire Duquesne Light Company 800 North 3rd Street, Suite 203 Harrisburg PA 17102 abeatty@duqlight.com <i>Counsel for Duquesne Light Co.</i>
Melissa A. Chapaska Esquire HMS Legal LLP 501 Corporate Circle, Suite 302 Harrisburg Pa 17110 machapaska@hmslegal.com <i>Counsel for Penn Renewables</i>	Todd S. Stewart Esquire HMS Legal LLP 501 Corporate Circle, Suite 302 Harrisburg PA 17110 tsstewart@hmslegal.com <i>Counsel for EGS Parties</i>
Nicholas A. Stobbe Esquire Stevens and Lee PC 17 North 2nd Street, 16th Floor Harrisburg PA 17101 nicholas.stobbe@stevenslee.com <i>Counsel for Customer-Generator Coal.</i>	Samuel W. Cortes Esquire Ashley Beach Esquire Fox Rothschild LLP 747 Constitution Drive Suite 100 Exton PA 19341 scortes@foxrothschild.com abeach@foxrothschild.com

	<i>Counsel for Solar Energy Industries Association and the Coalition for Community Solar Access</i>
Karen Kemerait Esquire Fox Rothschild 301 Hillsborough Street Suite 1120 Raleigh NC 27603 kkemerait@foxrothschild.com <i>Solar Energy Industries Association and the Coalition for Community Solar Access</i>	Taylor Speer Esquire Fox Rothschild LLP 2 West Washington Street Suite 1100 Greenville SC 29601 tspeer@foxrothschild.com <i>Solar Energy Industries Association and the Coalition for Community Solar Access</i>
Barry A. Naum Esquire Steven W. Lee Esquire Spilman Thomas & Battle PLLC 1100 Bent Creek Blvd Suite 101 Mechanicsburg PA 17050 bnaum@spilmanlaw.com slee@spilmanlaw.com <i>Counsel for Walmart, Inc.</i>	Jamie L. Martines Spilman Thomas & Battle PLLC 301 Grant Street Suite 3440 Pittsburgh PA 15219 jmartines@spilmanlaw.com <i>Counsel for Walmart, Inc.</i>
Michael A. Gruin, Esq. Stevens & Lee 17 North 2nd Street, 16th Floor Harrisburg, PA 17101 michael.gruin@stevenslee.com <i>Counsel for WGL Energy Services Inc. and Town Square Energy East, LLC</i>	Deanne M. O'Dell, Esq. Eckert Seamans Cherin & Mellott, LLC 213 Market Street, 8th Floor P.O. Box 1248 Harrisburg, PA 17101 dodell@eckertseamans.com <i>Counsel for Retail Energy Supply Association</i>
Colleen Kartychak, Manager Constellation Energy Generation LLC 1310 Point Street, 8th Floor Baltimore, MD 21231 Colleen.kartychak@constellation.com <i>Counsel for Constellation Energy Generation, LLC and Constellation NewEnergy, Inc.</i>	Lauren M. Burge Esquire Eckert Seamans Cherin & Mellott LLC 600 Grant Street, 44th Floor Pittsburgh PA 15219 lburge@eckertseamans.com <i>Counsel for Retail Energy Supply Association</i>

Susan E. Bruce, Esquire Charis Mincavage, Esquire Matthew Garber, Esquire Rebecca Kimmel, Esquire McNees Wallace & Nurick 100 Pine Street P.O. Box 1166 Harrisburg, PA 17101 sbruce@mcneeslaw.com cmincavage@mcneeslaw.com mgarber@mcneeslaw.com rkimmel@mcneeslaw.com <i>Counsel for Industrial Customer Grps</i>	Donald R. Wagner, Esquire Stevens & Lee, P.C. 111 N. 6th Street, PO Box 679 Reading, PA 19603 Donald.wagner@stevenslee.com <i>Counsel for Town Square Energy East, LLC and WGL Energy Services, Inc.</i>
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Respectfully submitted,

Dated: August 31, 2026


Daniel B. Markind (Attorney ID 38893)
Flaster Greenberg, PC
1717 Arch Street, Suite 3300
Philadelphia, PA 19103
215-279-9906 (telephone)
215-279-9394(fax)
Daniel.markind@flastergreenberg.com

Counsel to Dimension PA 1 LLC