



COMMONWEALTH OF PENNSYLVANIA

January 16, 2018

**E-FILED**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for approval of their Default Service Programs / Docket Nos. P-2017-2637855, P-2017-2637857, P-2017-2637858, P-2017-2637866**

Dear Secretary Chiavetta:

I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

  
Daniel G. Asmus  
Assistant Small Business Advocate  
Attorney ID No. 83789

*Enclosures*

cc: Judge Mary D. Long  
Robert D. Knecht  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Joint Petition of Metropolitan Edison Company, :</b>	<b>P-2017-2637855</b>
<b>Pennsylvania Electric Company, Pennsylvania :</b>	<b>P-2017-2637857</b>
<b>Power Company and West Penn Power :</b>	<b>P-2017-2637858</b>
<b>Company for approval of their Default Service :</b>	<b>P-2017-2637866</b>
<b>Programs :</b>	

**OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM**

**I. INTRODUCTION**

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (the “Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Please address all correspondence as follows:

Daniel G. Asmus, Esq.  
Assistant Small Business Advocate  
Office of Small Business Advocate  
300 North Second Street – Suite 202  
Harrisburg, PA 17101  
(717) 793-2525  
(717) 783-2831 (fax)  
[dasmus@pa.gov](mailto:dasmus@pa.gov)

**II. BACKGROUND**

On or about December 4, 2017, Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn

Power”), and West Penn Power Company (“West Penn”) (collectively, “First Energy” or “the Companies”) filed a Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of Their Default Service Programs (“Petition”) with the Pennsylvania Public Utility Commission (“Commission”) pursuant to Section 2801 of the Public Utility Code, 66 Pa.C.S. §2801, as amended by Act 129 of 2008 (“Act 129”), and 52 Pa. Code §§ 54.181-54.189 and 69.1801-1817. The Petition seeks approval of proposed programs to secure default service supply for the Companies’ customers for the period June 1, 2019, through May 31, 2023.

The OSBA filed an Answer to the Petition as well as a Notice of Intervention and Public Statement on January 2, 2018.

A telephonic Prehearing Conference is scheduled for January 17, 2018, at 1:30 pm. This Prehearing Memorandum is being filed pursuant to the Prehearing Conference Order issued by Administrative Law Judge (“ALJ”) Mary D. Long dated December 21, 2017.

### **III. WITNESS**

Assisting in the development and presentation of the OSBA’s position in this case will be:

Robert D. Knecht  
Industrial Economics Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140  
(617) 354-0074  
(617) 354-0463 – Fax  
[rdk@indecon.com](mailto:rdk@indecon.com)

**The OSBA requests that all parties serve copies of all documents, including discovery, testimony and briefs, upon Mr. Knecht simultaneously with service upon the OSBA.**

The OSBA anticipates that it will present testimony by Mr. Knecht.

#### **IV. IDENTIFICATION OF ISSUES**

The OSBA is participating in this case to ensure that the interests of small commercial and industrial (“small C&I”) customers of First Energy are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the parties, primarily through discovery, cross-examination of witnesses appearing for those parties, submission of testimony and briefing of the issues that arise in this proceeding. The OSBA is still in the process of analyzing the filing, but will most likely focus on the following issues:

1. Procurement of small C&I default service supplies, including methodology, timing, and inclusion of spot market supplies.
2. The Companies’ current PTC Rider, HP Default Service Rider and SPVRC Rider and the “E” factor included in those riders.
3. Hourly pricing for commercial customers.
4. The clawback mechanism.

The OSBA anticipates filing the direct, rebuttal and surrebutal testimony of its witness, Robert D. Knecht, pursuant to the procedural schedule developed by the parties, and will make every attempt to provide written requests for information from another party prior to the time of the hearing.

The OSBA will work diligently with the ALJ and the other parties to ensure that exhibits, admissions, stipulations, limitations of witnesses, discovery/production and other matters pertaining to the orderly conduct and disposition of this proceeding will be handled in an expeditious manner.

The OSBA reserves the right to pursue additional issues as they may arise throughout the course of this proceeding.

**V. DISCOVERY**

The OSBA has propounded interrogatories to the Companies, but has not received responses, which are not due as of this writing.

**VI. SERVICE OF DOCUMENTS**

The OSBA agrees to accept electronic delivery of documents on the due date as satisfying the in-hand requirement, if followed by hard copy delivery to the OSBA and its witness by first class mail. Electronic service only is not acceptable.

**VII. SETTLEMENT**

The OSBA is willing to enter into settlement discussions at any phase of this proceeding.

**VIII. PROCEDURAL SCHEDULE**

The OSBA is cooperating with the other parties to develop a mutually acceptable schedule for the remainder of the case.

Respectfully submitted,

  
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Daniel G. Asmus  
Assistant Small Business Advocate  
Attorney ID No. 83789

For:

John R. Evans  
Small Business Advocate

Office of Small Business Advocate  
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Dated: January 16, 2018

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Joint Petition of Metropolitan Edison Company,</b>	<b>:</b>	<b>P-2017-2637855</b>
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<b>Programs</b>	<b>:</b>	

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

THE HONORABLE MARY D. LONG  
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DATE: January 16, 2018

  
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