

# FIRSTENERGY PENNSYLVANIA UTILITIES

## Rate Plans Filed to Help Ensure Reliable Electric Service

To help ensure continued service reliability enhancements for its two million customers, FirstEnergy Pennsylvania subsidiaries Penn Power, West Penn Power, Met-Ed and Penelec filed comprehensive distribution rate plans with the Pennsylvania Public Utility Commission (PPUC) on August 4, 2014.

With strict cost management and careful planning, FirstEnergy has kept electric rates flat for our Pennsylvania utility customers for many years, and currently have, on average, the lowest rates in the state among investor-owned electric distribution companies.

- For Penn Power, this is first rate filing in 26 years; for West Penn Power, the first in 20 years; and for Met-Ed and Penelec the first in eight years.
- Across FirstEnergy's Pennsylvania operating companies, the proposed rate plan would result in an average bill increase of \$16.59 per month for residential customers.

### Enhancing Service Reliability for Customers

The new rates are needed to bring our revenues in line with our costs, while minimizing, to the extent possible, the impact to our customers. The companies' base rate plans benefit customers by supporting continued service reliability investments to the local distribution networks that deliver electricity to the homes and businesses in our communities.

- Planned enhancements include replacing circuits, improving substation security, inspecting and replacing poles, and enhancing tree trimming activities.
- Continue infrastructure enhancements necessary to support state-of-the-art technologies that can be operated remotely in order to help prevent some outages from occurring, reduce the number of affected customers when an outage does occur, and shorten outage duration.

While keeping rates low for our customers, FirstEnergy's Pennsylvania utilities have made significant service reliability enhancements in recent years.

- In 2013, FirstEnergy's Pennsylvania customers experienced an average of 8 percent fewer outages and 10 percent shorter restoration times compared to 2003.

### Lowest Rates

FirstEnergy's Pennsylvania utilities currently have, on average, the lowest rates in the state among investor-owned electric distribution companies. Our customers pay an average monthly bill of \$108.56 (based on 1,000 kilowatt-hours of use per month), compared to a statewide average of \$145.58.

Typical Bill Comparison - PA	Avg. Monthly Bill*	Last Base Rate Request
Met-Ed	\$116.56	2006
Penelec	\$120.46	2006
Penn Power	\$104.76	1988
West Penn Power	\$92.47	1994
<b>FirstEnergy PA Average</b>	<b>\$108.56</b>	
<b>Statewide Average</b>	<b>\$145.58</b>	

# Comprehensive Rate Plans

Met-Ed  
Penelec  
Penn Power  
West Penn Power

## Impact to Customer Bills

Across FirstEnergy's Pennsylvania operating companies, the proposed rate plans would result in an average bill increase of \$16.59 per month for a customer using 1,000 kilowatt hours (kWh) per month.

- Penn Power has requested an increase of \$28.5 million. If approved, the total bill for an average residential customer using 1,000 kWh per month would increase 11.8 percent, or \$12.39 for a new monthly total bill of \$117.15.
- West Penn Power has requested an increase of \$115.5 million. If approved, the total bill for an average residential customer using 1,000 kWh per month would increase 14.7 percent, or \$13.62, for a new monthly total bill of \$106.09.
- Penelec has requested an increase of \$119.8 million. If approved, the total bill for an average residential customer using 1,000 kWh a month would increase 16.3 percent, or \$19.58, for a new monthly bill of \$140.04.
- Met-Ed has requested an increase of \$151.9 million. If approved, the total bill for an average residential customer using 1,000 kWh per month would increase 17.8 percent, or \$20.78, for a new monthly bill of \$137.34.

## Additional Information

Since 2006, FirstEnergy's Pennsylvania utilities have invested more than \$1.8 billion for service-related improvement projects for customers that have not been recovered through the rate process.

FirstEnergy's rate plans include continued support for low-income and payment-troubled customers in Penn Power, Penelec and Met-Ed territories, and an expanded low-income program for West Penn Power customers.

Each of the companies is also requesting to implement a Storm Rider as part of the base rate filings. The Storm Rider is intended to provide for costs associated with restoring service following major storms. The storm restoration costs which have occurred during the February 2014 ice storm, Hurricane Sandy, Hurricane Irene, and other events have resulted in uncollected costs of approximately \$90 million above what the companies currently collect from customers. PPL Electric Utilities was granted approval to utilize a Storm Rider earlier this year.

While not a part of the submitted rate plans, effective September 1, 2014, FirstEnergy's Pennsylvania utilities will implement reductions in their Prices-to-Compare (PTC) for all customers. The PTC is the price customers who choose not to shop pay for the generation and transmission of electricity. This cost is revised on a quarterly basis and is a cost passed on to customers – the companies make no profit on the PTC or generation portion of the electric bill.