PotomacEdison
A FirstEnergy Company

5001 NASA Boulevard
Fairmont, WV 26554

MonPower™
A FirstEnergy Company

Gary A. Jack
Senior Corporate Counsel

Telephone: 304.534.7409
Fax: 330.315.9939

March 31, 2023

Via electronic filing

Ms. Karen Buckley
Public Service Commission of West Virginia
201 Brooks St.
PO Box 812
Charleston, WV 25323

Re: **Case Nos. 22-0793-E-ENEC**
Petition and General Investigation to Determine Reasonable Rates and Charges for Monongahela Power Company and The Potomac Edison Company on and after January 1, 2023 (Closed Case)

Dear Ms. Buckley:

Attached as a closed case filing on behalf of Monongahela Power Company and The Potomac Edison Company is an Analysis Report on Pleasants power station.

Sincerely,

Gary A. Jack
Senior Corporate Counsel
WV State Bar No. 1855

CC:
Heather Osborn/Robert Williams – all by email
Edward George/Nelson McKown
Leslie Anderson
Michael Soules/Emmett Pepper
Carrie Grundmann/Derrick Williamson
Jacob Altmeyer

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 22-0793-E-ENEC

MONONGAHELA POWER COMPANY AND
THE POTOMAC EDISON COMPANY
Petition and General Investigation to determine reasonable rates and charges for Monongahela Power Company and The Potomac Edison Company on and after January 1, 2023.

MON POWER/PE ANALYSIS REPORT ON PLEASANTS

In the final Public Service Commission of West Virginia ("Commission") order in this proceeding, Monongahela Power Company ("Mon Power") and The Potomac Edison Company ("Potomac Edison") (together, the "Companies") were directed to analyze and report on the possibility of acquiring Pleasants Power Station ("Pleasants" or "PL") and to file a report as a closed case filing in this proceeding whereby the Commission thereafter would decide on any further direction.

In this filing, the Companies provide an update on developments on Pleasants, propose an interim solution to preserve Pleasants' operations in 2023 while the Companies complete their analysis to determine if this transaction is in customers and the Companies best interests, and outline certain Commission actions needed to facilitate the interim solution, including a temporary surcharge.

Due to the exigent circumstances described in this filing, the Companies respectfully request that the Commission enter an order addressing the requested relief as soon as possible but not later than Tuesday, April 25, 2023.

I. Introduction and Background

Pleasants is a 1300 megawatt ("MW") two-unit coal power plant located on the Ohio River in Pleasants County, West Virginia. The plant began operations in 1979 and was built and owned by the Companies and West Penn Power. With deregulation in Maryland and Pennsylvania, Allegheny Energy Supply Company, LLC ("AE Supply"), a merchant affiliate, became a partial owner in the early 2000s. In 2013, Mon Power sold its remaining interest to AE Supply, causing Pleasants to be solely owned by AE Supply, while Mon Power acquired the remaining interest in Harrison Power Station ("Harrison" or "HAR") from AE Supply. In connection with a settlement agreement in the FirstEnergy Solutions Corp. ("FES") bankruptcy proceedings, AE Supply agreed to transfer Pleasants to Energy Harbor's ("EH") predecessor, FES, in late 2018 and completed the transfer of the station in January 2020. In December 2022, EH transferred the plant and associated liabilities to Energy Transition and Environmental Management (a demolition company) ("ETEM") for the purpose of demolishing the station and remediating the site but leased the plant back from ETEM through May 31, 2023.

In this proceeding, the Consumer Advocate Division ("CAD") recommended the Companies consider acquiring Pleasants as a replacement for Ft. Martin Power Station ("Ft. Martin" or "FTM") due to issues at Ft. Martin (including Nitrogen Oxides ("NOx") control, coal transportation logistics, and age) as well as advantages that Pleasants possesses on those same factors. CAD also recommended the Companies consider securitization of the remaining undepreciated investment (net book value) in Ft. Martin. The Companies agreed to perform such an analysis.

By order of this Commission dated December 30, 2022 in this proceeding, the Commission ordered that a report summarizing the Companies' evaluation of a potential purchase of Pleasants be filed no later than March 31, 2023. During the 2023 West Virginia legislative session, both the Senate and the House passed resolutions encouraging Mon Power to buy Pleasants (HR12/SB 29). Further, the Legislature passed HB 3308 allowing securitization as an alternative financing mechanism for various expenses and assets of West Virginia utilities, including undepreciated book balances for retired coal plants.

II.

A. Current Status of Circumstances and Analysis

The Companies have been analyzing the customer impacts on a possible Pleasants purchase, including with or without a retirement of Ft. Martin. There are many challenges to the Companies acquiring and operating Pleasants. On March 29, 2023, the U.S. Environmental Protection Agency ("EPA") issued new draft Effluent Limitation Guideline ("ELG") rules that would impact all coal-fired power stations, but especially plants like Ft. Martin and Pleasants that have Flue Gas Desulfurization ("FGD") wastewater discharges. Such rules, if finalized as proposed, would potentially cause a significant negative impact to those stations. Review and analysis are underway. Additionally, the U.S. EPA is in the process of publishing the Good Neighbor Plan for the 2015 National Ambient Air Quality Standard ("NAAQS") of the Clean Air Act which would likely have a large impact on FTM since it does not have selective catalytic reduction ("SCR") technology to reduce NOx emissions, but Pleasants appears to have challenges as well. As part of the proposed NOx allocation of the Good Neighbor Plan, Pleasants was not allocated any NOx credits beyond 2023; the Companies do not understand this action and believe this needs further investigation. Moreover, because EH owns the 2023 NOx credits, Pleasants presently has no credits to enable it to operate May through September 2023. Other matters such as acquiring the resources to operate a power plant, not the least of which are coal and reagents, are in need of further exploration.

B. Pleasants Near-Term Operational Status

A key element to consider is when EH, under its lease, anticipates ceasing generating power at Pleasants. Information early this year had indicated that

Pleasants would run into the fourth quarter of 2023 as energy prices were high (averaging $56.14/MWh in October 2022). However, energy prices at the APS Zone (the zonal price location in PJM) have fallen 54% to an average around-the-clock prices of $25.89/MWh as of February 2023. Likewise, the Henry Hub average spot price for natural gas was $5.69/MMBtu in October 2022 and fell to $2.37/MMBtu by February 2023, or less than half of what it was just four months earlier.

Mon Power has recently been advised that these market changes have caused EH to now cease generating power on May 31, 2023, as originally communicated in their deactivation notice to PJM. There are no current coal or lime contracts for the plant. Mon Power understands that Pleasants is burning its coal pile and not receiving new shipments of coal. EH has stated that employment at Pleasants will cease by July 15, 2023, and that EH will no longer have any leasehold or other ownership interest at Pleasants beginning July 16, 2023. The Companies believe that ETEM, the current owner, currently intends to demolish the plant and remediate the site for future use, but the passage of SB 609 during the past legislative session appears to have ETEM reevaluating its plan. As such, on March 27, 2023, ETEM issued a request for proposal ("RFP") seeking responses by May 1, 2023. The RFP indicates ETEM's willingness to consider proposals that would include: (i) the sale of Pleasants in its entirety prior to demolition and remediation, (ii) a lease, toll or sale and put-back of Pleasants so that the station can operate through a transition period (probably not to exceed five years), after which ETEM will demolish and remediate the property, or (iii) a forward sale of Pleasants, to close when the site has been demolished and remediated.

C. Urgency of Initial Commission Determination

Due to the potential closure of Pleasants by June 1, 2023, time is of the essence and urgency in action is required if the Commission wants Mon Power to continue to evaluate the possibility of acquiring Pleasants. Once a station is closed, it is very difficult to restart. Employees are no longer available. There is not an experienced, capable staff to operate the complex machinery that is part of a power station. Restart of boilers, turbines, transformers and auxiliary equipment that have gone "cold" is, at best, uncertain. It is possible that rotating equipment (fans, pumps) may fail if there is an attempt to restart after a sustained period of non-operations. If the plant is going to continue to run or be available to run, then it is imperative that the existing staff of employees be maintained and that the plant components be kept "warm" and operable.

Additionally, the right to inject power into the PJM system is a valuable asset that the Commission should be interested in preserving if the intent is for Pleasants to generate electricity going forward.

At the same time, a decision on whether Pleasants is a good investment for customers and the Companies requires additional review, due diligence, and evaluation. The timeline in which the Companies have to complete that analysis would render any conclusion to acquire Pleasants moot because it will be too late to restart the station without immediate steps to preserve the status quo as requested in Section D below.

Engineering and operations, together with recent federal environmental regulatory developments, need to be further reviewed, as well as possible transition plans, associated risks, the use of the McElroy's Run impoundment, the Commission and Federal Energy Regulatory Commission ("FERC") proceedings, and possible negotiations and legal agreements.

If Pleasants is going to run after May 31, 2023, notification to PJM is requested by May 1, 2023. Notification to the U.S. EPA and West Virginia Department of Environmental Protection would also be made. Therefore, expedited Commission direction is requested as soon as possible.

D. Interim Solution

To allow for further analysis, decision-making, and regulatory proceedings to be conducted, an interim solution would be required to avoid a Pleasants shutdown and to retain the employees. The Companies would be willing to explore a short-term arrangement between Mon Power and ETEM to be negotiated and entered for up to a 12 month period to keep the plant from closing and to aid in further evaluation, possible negotiation, and regulatory proceedings. The Companies expect that this arrangement would be memorialized in a letter of intent (the "LOI") whereby Mon Power would be afforded the opportunity to further evaluate, negotiate, and allow for regulatory proceedings while reimbursing ETEM for costs it has incurred to maintain the plant in operating condition. In addition, in the interim the Companies would incur costs to finalize their evaluation inclusive of engineering, environmental, risk and legal support among others. Cost recovery for the LOI obligations and the reimbursement of costs pursuant thereto (the "ETEM Reimbursement Obligations") would also need to be addressed in the interim.

E. Interim Solution Components

If the Commission wishes the Companies to continue their evaluation of a potential acquisition of Pleasants and to implement the interim solution outlined above, several Commission actions will be necessary for the Companies to proceed. They include:

1. Authorization for Mon Power to enter into a LOI with ETEM not to exceed 12 months obligating Mon Power to incur ETEM Reimbursement Obligations to allow Pleasants to remain in operable condition during the evaluation, negotiation, and any further regulatory review beginning June 1, 2023, with extensions as necessary to accommodate additional periods for the Long-Term Considerations

identified in Section F below should such Long-Term Considerations occur;

2. The establishment of a temporary surcharge and deferral accounting for full recovery of the ETEM Reimbursement Obligations, operation and maintenance expenses (which excludes fuel expenses since the plant will not be generating electricity), taxes, and any capital expenditures during the term of the LOI. The anticipated cost is approximately $3 million per month with the majority of the cost being labor personnel ($1.6 million) and very little (or no) capital. Any capital incurred would be fully collected in the month incurred. A fuller description of the expected costs is attached as Attachment 1. The surcharge would be set at $3 million per month ($36 million per year) recovery rate on an annual basis with the potential for interim adjustments should significant expenditures and/or significant under/over-recoveries occur which necessitate a change in surcharge recovery. The expected customer impact associated with the initial temporary surcharge by customer class is shown in Attachment 2 and a proposed notice to customers is provided in Attachment 3 for publication in daily newspapers. True-ups to ensure dollar-for-dollar recovery would occur in the ENEC proceeding so that only actual costs are paid. The surcharge would be non-bypassable by all

customers. The Companies would make no profit on the surcharge but just recover Mon Power's costs expended to keep the workforce, keep the plant operable, and other expenses related thereto. Should circumstances arise whereby these costs are no longer necessary --- e.g., a sale of the plant to an operator – the costs and surcharge would end upon completion of the cost obligations of the LOI, and costs would be subject to final true-up for collection from, or refund to, customers. Additionally, while the labor force will be preserving the assets, if there is other work available to keep them productive, Mon Power will assign them other internal and customer assistance efforts.

3. Inclusion in the temporary surcharge of any costs incurred by the Companies to continue their evaluation (i.e., engineering, environmental, legal, etc.). These costs are not included in Attachment No. 1 and would be additional to the $3 million described above.
4. Acknowledgement by the Commission that these costs to be incurred are prudent.

F. Long-Term Considerations

If the Commission wishes the Companies to continue the evaluation of Pleasants, the Companies are prepared to commit the time and energy to do so.

As outlined above, a series of Commission actions will be needed in the interim to allow for the evaluation to continue. If it appears a purchase would be overall beneficial to the various factors to be considered in any resource acquisition and/or resource retirement, a future filing will be made by the Companies for full review and consideration. That filing would contain the terms and conditions the Companies believe are needed to be approved to proceed with a proposed transaction. The Companies, at this point in time, do not believe operating three power stations as a long-term solution would be in the customers' best interests.

III. Relief Requested

To provide time to the Companies, interested parties, regulatory bodies, and others to further review a possible acquisition of Pleasants ,to address necessary components required for any such acquisition, and to protect the existing employees, assets, and interconnection rights at Pleasants during this time, the Companies are requesting expedited Commission direction and authorization as early as possible but no later than Tuesday, April 25, 2023. Specifically, the Companies request:

(1) authorization to enter into a reasonable LOI providing for ETEM Reimbursement Obligations for Pleasants to remain in operating condition beginning June 1, 2023;

(2) the establishment of a temporary surcharge for recovery of the costs of

the ETEM Reimbursement Obligations and the other costs outlined in Section II.E above and in Attachment 1, to be implemented on June 1, 2023 in the amounts specified herein and in Attachment 2;

(3) authorizing the Companies to provide notice of this filing and the proposed temporary surcharge substantially in the form provided in Attachment 3;

(4) consideration of further analysis and longer-term components in a new regulatory proceeding to be initiated by the Commission or Companies in the near future; and

(5) acknowledgement by the Commission that these costs to be incurred by the Companies to keep PL operable and conduct further analysis are prudent under the exigent circumstances presented.

WHEREFORE, the Companies request expedited action as set forth above and recommend and request that the Commission make appropriate findings of fact and conclusions of law in regard thereto.

Dated and effective this 31st day of March, 2023.

MONONGAHELA POWER COMPANY and
THE POTOMAC EDISON COMPANY
By Counsel

Christopher L. Callas, Esq.
Nicklaus A. Presley, Esq.

JACKSON KELLY PLLC
1600 Laidley Tower
Post Office Box 553
Charleston, West Virginia 25322

Gary A. Jack
Senior Corporate Counsel
FirstEnergy
5001 NASA Boulevard
Fairmont, WV 26554

Attachment 1

Catagoy	Description	2022 January	February	March	April	May	June	July	August	September	October	November	December	Total	Budget	2023 Current	Mo. Average
O&M	Labor & Benefits	1,639,242	1,540,012	1,716,954	1,797,147	1,644,211	1,674,055	1,685,898	1,655,648	1,785,553	1,843,887	1,629,655	870,381	19,482,643	23,150,186	23,150,186	1,623,553.57
O&M-OTL	Maintenance	206,943	304,760	244,723	208,992	266,992	314,778	206,123	371,097	257,205	340,331	150,152	378,626	3,250,724	4,000,000	3,333,333	270,893.68
	Major Maintenance	43,862	84,265	202,753	97,155	12,737	75,836	185,207	53,478	79,636	61,981	92,215	92,629	1,081,754	1,100,000	916,667	91,666.67
	Electrical	30,125	40,687	29,490	81,638	108,192	123,622	62,367	94,955	29,034	62,179	41,079	96,386	799,754	750,000	625,000	66,646.17
	I&C	21,342	44,168	107,160	3,727	49,920	9,569	12,501	36,391	2,819	16,591	46,923	32,800	383,911	450,000	375,000	31,992.59
	Operations	296,468	383,001	315,330	487,251	338,896	563,845	429,077	1,073,676	618,385	780,366	913,093	834,701	7,034,089	4,615,000	6,000,000	500,000.00
	Operations - Env	57,593	154,330	188,720	169,108	128,968	411,125	(27,861)	48,693	221,845	113,960	170,800	147,077	1,784,357	1,934,854	1,612,378	148,696.40
	Tech Services	0	7,100	0	3,150	0	0	(25)	0	0	0	0		10,225	25,000	20,833	852.08
	Outage Management	(20,891)	32,064	31,384	(14,696)	9,874	54,812	(14,709)	61,909	68,824	63,501	41,393	96,871	410,336	450,000	1,400,000	116,666.67
	Planned Outage	(382)	36,684	9,798	50,988	45,018	7,494	258			45,000	(45,000)		149,858	4,000,000		12,488.20
	FO/MO	363,297	268,841	1,012,897	43,502	442,622	1,420,519	914,003	471,006	140,225	2,324,397	109,959	1,019,735	8,531,003	4,000,000	8,000,000	333,333.33
	COR	(10,234)	0	15,000	0	430,818	(206,739)	(2,037)	39,390	44,585	(19,666)	(742)		290,373	565,000		24,197.76
	Facilities	82,217	105,244	121,873	120,614	97,628	121,471	104,544	77,764	76,156	96,185	97,164	88,026	1,188,886	1,400,000	1,166,667	99,073.82
	Insurance	65,760	65,763	65,763	65,763	51,203	51,203	51,203	106,203	42,361	60,370	60,370	60,370	746,329	1,810,292	1,508,577	62,194.06
	McElroy Run Disposal	95,994	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	1,773,274	2,018,760	1,807,300	147,772.83
	Break-Fix Blanket					(35)	1,256	773	623	515		521	3,141	6,794		2,500,000	566.18
	Total:	**2,871,336**	**3,219,398**	**4,214,324**	**3,266,820**	**3,779,522**	**4,775,325**	**3,759,802**	**4,243,312**	**3,519,623**	**5,941,562**	**3,460,062**	**3,873,224**	**46,924,310**	**50,269,092**	**29,265,755**	

Catagoy		2023 June	July	August	September	October	November	December	2024 January	February	March	April	May	June	July	Total
O&M-OTL; Layed Up Only	Labor & Benefits		1,625,000	1,625,000	1,625,000	1,625,000	1,625,000	1,625,000	1,698,125	1,698,125	1,698,125	1,698,125	1,698,125	1,698,125		19,938,750
	Insurance		125,715	125,715	125,715	125,715	125,715	125,715	125,715	125,715	125,715	125,715	125,715	125,715		1,508,580
	Maintenance		275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000		3,300,000
	Operations - Env		148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000		1,776,000
	COR (Cost of Removal)															0
	Layup/Winterization/Aux Boiler Ops	0	232,000	385,000	0	0	0	120,000	240,000	240,000	120,000	1,000,000	0	0		2,337,000
	Facilities/Aux Load		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000		1,200,000
	Taxes (Property)		150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000		1,800,000
	FE Engineering (ELG's, Assessments, Staff)		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000		3,600,000
	McElroy Run Disposal		152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480	152,480		1,829,760
	Rentals/Leases															0
	Total:	***0***	***3,108,195***	***3,261,195***	***2,876,195***	***2,876,195***	***2,876,195***	***2,996,195***	***3,189,320***	***3,189,320***	***3,069,320***	***3,949,320***	***2,949,320***	***2,949,320***	***0***	***37,290,090***
O&M-OTL; Operating Adder	Major Maintenance		92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000		1,104,000
	Electrical		66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500	66,500		798,000
	I&C		32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000		384,000
	Operations		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		6,000,000
	Tech Services/Environmental Testing		51,000	1,000	1,000	1,000	51,000	1,000	1,000	1,000	51,000	1000	1,000	1,000		162,000
	Outage Management		115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000		1,380,000
	Reagent/Startup Fuel/NOx		11,100,000	11,100,000	11,100,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	11,100,000	11,100,000		108,000,000
	Coal		27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000		
	FO/MO		333,000	333,000	333,000	333,000	333,000	333,000	333,000	333,000	333,000	333,000	333,000	333,000		3,996,000
	Total:	***0***	***39,289,500***	***39,239,500***	***39,239,500***	***35,639,500***	***35,689,500***	***35,639,500***	***35,639,500***	***35,639,500***	***35,689,500***	***35,639,500***	***39,239,500***	***39,239,500***	***0***	***121,824,000***
	Grand Total:	***0***	***42,397,695***	***42,500,695***	***42,115,695***	***38,515,695***	***38,565,695***	***38,635,695***	***38,828,820***	***38,828,820***	***38,758,820***	***39,588,820***	***42,188,820***	***42,188,820***	***0***	***159,114,090***

Ozone Season cost Adder - $3.6M/Plant for NOx
Non-Ozone Season costs - $7.4M/Plant
$100k/Mo-Startup fuel
Using Coal Market Price-$90/ton
Est. 10K/TPD Fuel burn (Plant)

Attachment 2

MONONGAHELA POWER COMPANY AND THE POTOMAC EDISON COMPANY

Allocation of Letter of Intent ("LOI") Cost Estimate

LOI Cost Estimate[1] = $ 3,000,000 per month

Rate Schedule	Demand Allocation Factor[2]	Allocated LOI Cost Estimate	Annual Forecasted Billing Determinants[3] kWh	Annual Forecasted Billing Determinants[3] kW (or kVA)	Monthly Forecasted Billing Determinants kWh	Monthly Forecasted Billing Determinants kW (or kVA)	2023 LOI Surcharge Rates[4] per kWh	2023 LOI Surcharge Rates[4] per kW (or kVA)
[1]	[2]	[3]	[4]	[5]	[6] = [4] /12	[7] = [5] /12	[8] = [6] / [3]	[9] = [7] / [3]
A & R	0.41822	$ 1,254,660	5,642,685,705		470,223,809		$ 0.00267	
B & G	0.04767	$ 143,010	682,108,891		56,842,408		$ 0.00252	
C & E	0.17526	$ 525,780		7,633,645		636,137		$ 0.83
CSH	0.00229	$ 6,870	28,876,234		2,406,353		$ 0.00285	
D & PH	0.04982	$ 149,460		2,036,024		169,669		$ 0.88
K & PP	0.30619	$ 918,570		12,730,484		1,060,874		$ 0.866
AGS	0.00024	$ 720		78,130		6,511		$ 0.111
Street Lighting	0.00031	$ 930	62,240,989	-	5,186,749	-	$ 0.00018	
Total	1.00000	$ 3,000,000	6,415,911,819	22,478,283	534,659,318	1,873,190		

[1]Estimate subject to change in the event actual costs vary from the monthly estimate

[2]Per Schedule RV-26 in August 25, 2022 ENEC filing in Case No. 22-0793-E-ENEC; to be updated each time the ENEC rate changes

[3]Per Schedule RV-28 in August 25, 2022 ENEC filing in Case No. 22-0793-E-ENEC; to be updated each time the ENEC rate changes

[4]Excludes potential future interim adjustment, if necessary

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 22-0793-E-ENEC

MONONGAHELA POWER COMPANY AND
THE POTOMAC EDISON COMPANY
Petition and General Investigation to determine reasonable rates and charges for Monongahela Power Company and The Potomac Edison Company on and after January 1, 2023.

NOTICE OF FILING AND PROPOSED SURCHARGE

In its December 30, 2022 order in this case, the Public Service Commission of West Virginia (Commission) directed Monongahela Power Company and The Potomac Edison Company (collectively, Companies) to file as a closed entry in this case not later than March 31, 2023 a report summarizing their evaluation of the potential acquisition of the Pleasants Power Station (Pleasants) in Pleasants County, West Virginia. On March 31, 2023, the Companies made a filing in which they indicated that their analysis was still in process. In that filing, the Companies also provided an update on certain developments at Pleasants, identifying the possibility that without additional action, Pleasants could cease operations as of June 1, 2023, noting that if that occurs, then it would be difficult to restart operations there.

For these reasons, the Companies proposed that Mon Power be authorized to enter into an arrangement with the current owner of Pleasants that would enable Mon Power to ensure that Pleasants is maintained in operable condition during 2023 and that its employees are retained during that time. The Companies contended that a temporary surcharge would be required (Surcharge) to enable them to recover the anticipated cost of these efforts, estimated to be $3 million per month, as well as costs associated with the Companies' continued evaluation of the potential acquisition of Pleasants. Details of the Companies' March 31, 2023 filing and the Surcharge can be found on the Commission's website at http://www.psc.state.wv.us.

The Companies requested that the Commission authorize the Surcharge to be implemented on June 1, 2023. The incremental revenue increase due to the Surcharge is estimated to be approximately $36 million for June 2023 to May 2024, unless terminated earlier. The Surcharge would propose to be reviewed at least annually, but may be more frequently, by the Commission.

The average monthly bill impact of the Surcharge for the Companies' various classes of customers is estimated to be as follows:

Total Rate Impact of Temporary Surcharge

	Average Increase per Customer	Percentage Change
Residential	$ 2.67	2.2%
Commercial	$ 8.44	2.2%
Industrial	$ 4,416.32	2.4%
Streetlighting	$ 0.40	0.1%
		2.3%

The Surcharge increases are based on averages of all customers in the indicated class. Individual customers may receive changes that are greater or less than average. Additionally, cost allocation as approved by the Commission among customer classes could increase or decrease the estimated bill impacts. The requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Commission in its review of this filing. Any increase or decrease in rates and charges will not become effective until authorized and approved by the Commission.

All written comments on the Companies' March 31, 2023 filing and proposal or the Surcharge should state the case name and number and be addressed to Karen Buckley, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323 and be filed no later than April 24, 2023. Public Comments may also be filed online at http://www.psc.state.wv.us/scripts/onlinecomments/default.cfm by clicking the "Formal Case" link.

MONONGAHELA POWER COMPANY
and

THE POTOMAC EDISON COMPANY

CERTIFICATE OF SERVICE

I certify that I have served the attached Report on those parties on the Executive Secretary's service list in this proceeding via email on this 31st day of March, 2023.

Gary A. Jack