

FirstEnergy**2463**2800 Pottsville Pike
PO Box 16001
Reading, PA 19612-6001

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Kent A. Hatt
(610) 921-6218
(610) 921-6256 (Fax)July 17, 2007 INDEPENDENT REGULATORY
REVIEW COMMISSION**VIA EMAIL AND FACSIMILE**Chairman Arthur Coccodrilli
Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Dear Chairman Coccodrilli:

Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company (collectively "FirstEnergy") request your support of the Pennsylvania Public Utility Commission's Default Service Regulations at IRRC Docket Number 57-237. FirstEnergy believes the Independent Regulatory Review Commission ("Commission") should adopt the Default Service Regulations as they are a well-reasoned and balanced approach to a complex set of issues that are vitally important to the citizens of Pennsylvania and the future economic vitality of the Commonwealth. Below are a couple of the benefits of the Default Service Regulations:

- They provide Electric Distribution Companies ("EDCs") with the flexibility to develop energy procurement strategies best suited for the individual EDC and its customers while also preserving the option of joint procurement among EDCs.
- They give necessary and timely guidance on the critical area of energy procurement. Six EDCs have completed their transition periods, and these regulations will help eliminate or streamline excessive litigation on energy procurement issues, saving all parties involved in the process time and money.

FirstEnergy believes the Default Service Regulations, which are the result of a comprehensive process that included the participation of more than 25 interested stakeholders, should be finalized as soon as possible to provide clarity for those EDCs still under rate caps while they are developing and implementing their procurement strategies. Having finalized Default Service Regulations now optimizes the opportunity for all EDCs to begin staggering their procurements and creating a diverse energy portfolio.

Thank you for your time and consideration. Please contact me if you would like additional information or have any questions. I also plan to make a statement in support of the Default Service Regulations at the Commission's public meeting on July 19, 2007.

Sincerely,

Kent A. Hatt
Senior Consultant, Rates