# **Here we go again: Opponents say rate payers at risk in First Energy deal**

* [John Miller - Executive Editor](https://www.theet.com/users/profile/John%20Miller%20-%20Executive%20Editor)

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Back in 2013, when First Energy wanted to have subsidiary Allegheny Energy sell the Harrison Power Station to another subsidiary, Mon Power, we questioned the effect it would have on consumers.

That thought is once again on our minds as the Federal Energy Regulatory Commission (FERC) and the state Public Service Commission (PSC) wrestle with the decision regarding the similar “sale” of assets within First Energy, with Mon Power and Potomac Edison again picking up the tab - this time for the Pleasants Power Station.

Basically, what First Energy is doing is transferring coal-fired power plants to the ownership of West Virginia-based subsidiaries. That’s because West Virginia’s utilities are under the regulation of the PSC and companies are able to charge off costs to increase profitability.

Opponents of the proposed sale are using the Harrison Power Station “sale” as proof that these types of transactions hurt state consumers.

Filings with FERC allege that the Harrison Power Station transfer cost ratepayers more than $160 million. They cite a study by the Institute for Energy Economics and Financial Analysis (IEEFA).

Opponents also fear the sale would give First Energy a huge competitive advantage compared to merchant-generators that sell to the regional electric grid because they could sell cheaper to the grid and make up revenue with the sale.

While the Pleasants deal is similar to the one involving the Harrison Power Station, there are differences.

The price paid for the power station in 2013 was greatly inflated from what First Energy had paid for it.

While the Pleasants price is more reasonable, opponents say the age of the plant and its condition could lead to costly repairs, with the costs passed on to consumers.

Obviously, FERC and the PSC will have to balance many factors in their decisions. And state residents also have to keep in mind that First Energy and its subsidiaries are good corporate partners in the communities they serve.

At the same time, First Energy must keep in mind the fairness factor and the benefit of operating in West Virginia which is a regulated marketplace.

What we don’t want to see — and what ratepayers can ill afford — are increased rates that strictly benefit First Energy and its shareholders in offsetting lower electric prices elsewhere.

With West Virginia sitting on an enormous amount of natural gas, it seems illogical to have state ratepayers locked into paying for coal-fired generation for years to come. And we urge both FERC and the PSC to consider that element as they proceed with deliberations.

And, likewise, state leaders should give strong consideration to the energy marketplace and study the pros and cons of moving to a deregulated system in which multiple companies can compete for the business.

Deals like the Harrison Power Station, and now the Pleasants Power Station, may be evidence of the need for more competition and less regulation.

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