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Responding to Office of People's Counsel Request, Public Service Commission Opens Investigation into Potomac Edison's Relationship with Scandal-Ridden FirstEnergy

BALTIMORE – The Maryland Public Service Commission today opened an investigation into the impact of FirstEnergy Corp.'s corruption scandal on Potomac Edison, Western Maryland's electric utility that has been under FirstEnergy ownership for the past 10 years. The Commission issued the order in response to the Office of People's Counsel's petition seeking an investigation.

"We are pleased the Commission agrees that an investigation is necessary," said People's Counsel David S. Lapp. "This investigation is long overdue. Potomac Edison customers deserve to be assured they have not been and will not in the future be affected by the wrongful conduct of their utility's out-of-state owners."

Just last week FirstEnergy agreed to pay a \$230 million criminal fine under a "deferred prosecution agreement" with federal authorities. The company admitted in that agreement to charges that it conspired with public officials and other individuals and entities to pay millions of dollars to public officials in exchange for official action—including legislation—for FirstEnergy Corp.'s benefit.

The Office of People's Counsel filed its [petition for an investigation](#) more than two months ago, on May 11, 2021. The 25-page petition described the wide-ranging scandal and asked the Commission to consider the full panoply of relief available,

including ordering Potomac Edison's disaffiliation from FirstEnergy. FirstEnergy's scandal has resulted in federal criminal charges, numerous civil and regulatory proceedings, the termination of FirstEnergy's chief executive officer and other executives, and the lowering of FirstEnergy's and Potomac Edison's bond ratings below investment grade.

The Commission's order issued today granted the OPC's request but stated that it would limit the scope of the investigation and the remedies it will consider. "We are disappointed that the Commission did not agree with the need for the full investigation we requested. Regrettably, the Commission also apparently closed the door on corporate disaffiliation—perhaps the most effective form of relief for Maryland customers—before knowing all the facts." Lapp said. "But we look forward to obtaining and following the facts to further the interests of Potomac Edison's customers and the State."

The Maryland Office of People's Counsel is an independent state agency that represents Maryland's residential consumers of electric, natural gas, telecommunications, private water and certain transportation matters before the Public Service Commission, federal regulatory agencies and the courts.

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