

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Notice of Information Collections and And Request for Comments)))	Docket No. IC25-7-000
---	-------------	-----------------------

FirstEnergy Service Company on behalf of its affiliates (“FirstEnergy” or the “Company”) is submitting these comments in response to the above-referenced Notice of Information Collection and Request for Comments (“NOIC”), which the Federal Energy Regulatory Commission (“FERC” or the “Commission”) issued on February 3, 2025. In the NOIC, the Commission is soliciting public comment on the requirements and information collection burden associated with Forms No. 1, 1-F, and 3-Q. Specifically, parties are invited to comment on: (1) whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (2) the accuracy of the agency’s estimates of the burden and the cost of the collections of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information collections; and (4) ways to minimize the burden of the collections of information on those who are to respond, including the use of automated collection techniques or other forms of information technology.

As discussed in further detail below, due to the significant amount of time and resources required by FirstEnergy and the industry to prepare, review and file the Form No. 3-Q statements each quarter, combined with the *de minimis* use in rate making and by stakeholders of these filings,

FirstEnergy recommends eliminating Form No. 3-Q filing requirements.¹

FirstEnergy Background

FirstEnergy's electric distribution and transmission companies form one of the nation's largest investor-owned electric systems, serving more than six million customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York. The Company's transmission subsidiaries operate more than 24,000 miles of transmission lines that connect the Midwest and Mid-Atlantic regions.

Like many companies in the regulated utility sector, FirstEnergy's affiliates make numerous and regular financial and operational filings with various federal and state agencies, including the Commission, state utility commissions, the Securities and Exchange Commission ("SEC"), the Energy Information Administration ("EIA"), and the Internal Revenue Service ("IRS"). Such filings provide a detailed, public view of the Company and its affiliate's financial and operational information on a regular basis.

Currently, FirstEnergy files Form No. 3-Q for each of its twelve separate regulated electric subsidiaries each quarter. The resource burden required to prepare and file each of the Form No. 3-Q filings of our subsidiaries is significant. Furthermore, while considerable resources are spent on the preparation, review and filing of the Form No. 3-Q, our stakeholders and rate making processes rely almost exclusively on the annually prepared and filed Form No. 1 filings, and in no case are the Form No. 3-Q filings used in the setting of our Commission-jurisdictional rates. Additionally, the preparation and filings of Form No. 3-Q typically overlap the timeframes of other key financial reporting dates, such as the month end closing and quarterly reporting required

¹ FirstEnergy has no objections associated with the renewal of Form No. 1 and has no comments related to Form No. 1-F, as provided in this NOIC, and as a result, the focus of this comment letter is on the Form 3-Q, specifically.

by the SEC, which further exacerbates the burden on the Company's staff and resources.

The purpose of The Paperwork Reduction Act ("PRA") is to reduce the total amount of paperwork and reporting burden that the federal government imposes on businesses and, in consultation with the Office of Management and Budget ("OMB"), to ensure information being collected is done efficiently and reasonably. For these reasons and as further discussed below, FirstEnergy strongly recommends that the Commission eliminate Form No. 3-Q reporting requirements due to the burden it has on respondents and limited value it has for the Company, its stakeholders and for the Commission's jurisdictional rate-making.

FirstEnergy's Responses to the Questions Posed by the Commission

In the NOIC, the Commission is proposing a "three-year extension of the information collection requirements" pertaining to the Forms No. 1, 1-F, 3-Q, with no changes to the current reporting requirements. The following includes our responses to the four questions the Commission has solicited in the NOIC.

Question 1

Whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility

Response

Neither FirstEnergy nor any of its regulated subsidiaries have had any interaction with the Commission or FERC jurisdictional customers with regard to the information included in the Form No. 3-Q, which suggests that there is very limited or no practical utilization of the included information for the Commission's functions. Given our formula rate calculations are instead based on filed Form No. 1, the Form No. 3-Q does not provide relevant information into the calculation or

setting of Commission-jurisdictional cost-based rates. In certain state jurisdictions, FirstEnergy provides the Form No. 3-Q, however, this data has been informational and not utilized in the setting of rates or other similar purposes. In the event that a specific jurisdiction requires such information, they can request the data be provided through other means.

In 2004, FERC issued Order No. 646, which established Form No. 3-Q quarterly reporting requirements for regulated utilities. Per the Order, FERC noted the objective of these new filing requirements was to:

1. Improve the usefulness and transparency of financial information submitted to the Commission;
2. Help the Commission identify and evaluate emerging trends, business conditions and financial issues affecting reporting entities;
3. Identify the economic effects of significant transactions and events intended to allow the Commission to more timely evaluate the adequacy of cost-based rates and the need for changes in regulatory initiatives; and
4. Help the Commission achieve its goal of vigilant oversight over reporting entities.

We believe the objectives of the Commission are met through the Form No. 1 filings, which includes extensive financial and operational information on the respondent. In comparison, the Form No. 3-Q, is rarely used, if at all by the Commission, and in our experience the FERC Form No. 1 is by far the predominant resource relied upon in our rate making process and in other regulatory activities. Further, in a significant, but non-exhaustive, review of industry FERC Accounting Audits Reports and Enforcement Actions, FirstEnergy has not identified any reference in an audit report or FERC action to the Form No. 3-Q being utilized, inquired or referenced.

Furthermore, Form No. 1 is the basis for FirstEnergy's formula-rate recovery calculations and other regulatory matters by our regulated subsidiaries. Form No. 3-Q only includes quarterly information, which greatly limits the applicability of the financial information for rate making purpose and the ability to utilize the included information for emerging trends and other similar purposes given the insufficient timeframe of such information being provided.

As a result, while FirstEnergy supports all four aspects of the Commissions' objective as it relates to the information that it provides to FERC and makes available to its stakeholders, these goals are achieved through the existing Form No. 1 filings, not through Form No. 3-Q filings. The Form No. 3-Q is neither necessary to achieve these purposes, nor provides the information that is useful to achieve these objectives and instead is a burden on the Company in preparing and filing these each quarter for its twelve regulated subsidiary companies.

Question 2

The accuracy of the agency's estimates of the burden and cost of the collections of information, including the validity of the methodology and assumptions used.

Response

With the implementation of XBRL requirements for filing of these Forms with FERC, both the software cost and labor burden have increased since the original burden estimate. FirstEnergy estimates that each report takes nearly 70 hours per respondent each quarter to complete. FirstEnergy has twelve respondents that currently prepare and file the quarterly Form No. 3-Q, which results in a total of approximately 2,500 hours of time per year to complete a form that is not used in Commission-jurisdictional rate making and has *de minimis* value by FirstEnergy and stakeholders.

FirstEnergy also has experienced that the timing of the preparation and filing of FERC Form 3-Q in combination with requirements to file other financial data with the SEC and stakeholders of our subsidiaries creates a significant burden on our accounting and financial reporting personnel, as well as competing priorities within the short time period. As the burden of the preparation of the Form No. 3-Q is substantial, FirstEnergy urges the Commission to eliminate the filing requirements for Form No. 3-Q as there is a significant burden borne by respondents with no known benefit.

Question 3

Ways to enhance the quality, utility and clarity of the information collections

Response

FirstEnergy recommends that the Form No. 3-Q be eliminated for the reasons discussed in this comment letter, or as a less preferred alternative, for the Commission to significantly reduce the amount of information that is required in the filing as explained in FirstEnergy's response to Question 4.

Question 4

Ways to minimize the burden of the collections of information on those who are to respond, including the use of automated collection techniques or other forms of information technology

Response

As noted above, FirstEnergy supports the elimination of the Form No. 3-Q filing requirement. In the event the Commission determines that Form No. 3-Q should not be discontinued, FirstEnergy proposes the following options for the Commission to consider.

The first option is to reduce the filing requirements to the basic set of financial statements including Comparative Balance Sheet, Statement of Income and Statement of Retained Earnings, Statement of Cash Flows, and Statement of Comprehensive Income and Hedging Activities and exclude notes to the financial statements, since their creation requires extensive efforts. The second, but more time intensive option, is for the Commission to perform a review of each schedule of the Form No. 3-Q and request comments from stakeholders on the utility of data provided to determine the necessity and usefulness of information and specific pages currently required in the Form No. 3-Q.

Conclusion

FirstEnergy appreciates the opportunity to provide these comments. We desire to continue to work collaboratively with the Commission and other stakeholders to reduce the burden associated with the preparation of the Form 3-Q, especially in light of the apparent lack of value that the Form provides in the Commission's jurisdictional rate making process or for the FERC Staff to use in discharging their responsibilities. Instead, the Form No. 1, already provides substantial financial and operational information, for which is used in the rate making process and by stakeholders. As a result, we respectfully and strongly recommend the Commission eliminate Form No. 3-Q reporting requirements to reduce the reporting burden of respondents and eliminate a report that is essentially unused and lacks usefulness.

Please feel free to contact me at 330-384-5296 or jlisowski@firstenergycorp.com, if you have any questions or if FirstEnergy can provide any additional information to assist the Commission in their review of the Form No. 3-Q reporting requirements.

Respectfully Submitted,

/s/ Jason J. Lisowski

Jason J. Lisowski
Vice President, Controller
& Chief Accounting Officer

FirstEnergy Service Company
341 White Pond Drive
Akron, Ohio 44320
jlisowski@firstenergycorp.com
330-384-5296
April 8, 2025

Anne M. Rericha
Attorney
341 White Pond Drive
Akron, Ohio 44320
arericha@firstenergycorp.com
330-374-6550