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February 19, 2016

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**RE: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of Their Default Service Programs; Docket Nos. P-2015-2511333, P-2015-2511351, P-2015-2511355, P-2015-2511356**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is a Motion to Compel of the Med-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), the Penn Power Users Group ("PPUG"), and the West Penn Power Industrial Intervenors ("WPPII") (collectively, the "Industrials"), in the above-referenced proceedings.

As shown by the attached Certificate of Service, all parties to these proceedings are being duly served. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Teresa K. Schmittberger

Counsel to the Met-Ed Industrial Users Group,  
the Penelec Industrial Customer Alliance, the  
Penn Power Users Group, and the West Penn  
Power Industrial Intervenors

Enclosure

c: Administrative Law Judge David A. Salapa (via e-mail and First-Class Mail)  
Certificate of Service

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## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Certificate of Service

Docket Nos. P-2015-2511333, P-2015-2511351, P-2015-2511355, P-2015-2511356

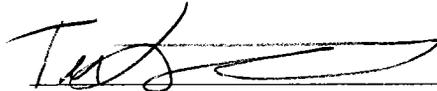
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Teresa K. Schmittberger

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the Penn Power Users Group, and  
the West Penn Power Industrial Intervenors

Dated this 19<sup>th</sup> day of February, 2016, at Harrisburg, Pennsylvania

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison	:	Docket No. P-2015-2511333
Company, Pennsylvania Electric Company,	:	Docket No. P-2015-2511351
Pennsylvania Power Company, and West	:	Docket No. P-2015-2511355
Penn Power Company for Approval of	:	Docket No. P-2015-2511356
Their Default Service Programs	:	

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**MOTION TO COMPEL OF THE  
MET-ED INDUSTRIAL USERS GROUP, PENELEC INDUSTRIAL  
CUSTOMER ALLIANCE, PENN POWER USERS GROUP, AND WEST PENN  
POWER INDUSTRIAL INTERVENORS**

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**TO THE HONORABLE DAVID SALAPA:**

Pursuant to Section 5.342(g) of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") regulations, 52 Pa. Code § 5.342(g), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Penn Power Users Group ("PPUG"), and West Penn Power Industrial Intervenors ("WPPII") (collectively, the "Industrial Customer Groups") hereby file this Motion to Compel in the above-captioned proceeding. In support of this Motion to Compel, the Industrial Customer Groups aver as follows:

**I. BACKGROUND**

1. On February 17, 2016, Exelon Generation, LLC ("ExGen"), submitted Objections related to the Industrial Customer Groups' Interrogatories – Set I. Specifically, ExGen identifies Objections (attached hereto as Exhibit "A") to the following Interrogatory Nos. 1-2, 4-6, 8-9, and 11-16:

Industrial Customer Groups to ExGen - Set I, Question No. 1:

Please reference ExGen's Direct Testimony, Statement No. 1, at 3, lines 13-20. Please provide the NITS rates for Met-Ed, Penelec, Penn Power, and West Penn for each year beginning in 2011 through 2016. Please also provide the percent change in NITS rates from year to year for each Company.

Industrial Customer Groups to ExGen - Set I, Question No. 2:

When was the last time Met-Ed, Penelec, and West Penn modified their NITS rates?

Industrial Customer Groups to ExGen - Set I, Question No. 4:

Please reference ExGen's Direct Testimony, Statement No. 1, at 3, lines 13-20. What components of NITS costs are distinguishable from capacity costs and generation costs, which have not been proposed for non-bypassable collection through the Companies' DSSRs?

Industrial Customer Groups to ExGen - Set I, Question No. 5:

Would ExGen describe capacity costs as non-market based? Please explain.

Industrial Customer Groups to ExGen - Set I, Question No. 6:

Would ExGen describe generation costs as non-market based? Please explain.

Industrial Customer Groups to ExGen - Set I, Question No. 8:

Would ExGen describe capacity costs as volatile? Please explain.

Industrial Customer Groups to ExGen - Set I, Question No. 9:

Would ExGen describe generation costs as volatile? Please explain.

Industrial Customer Groups to ExGen - Set I, Question No. 11:

Would ExGen describe capacity costs as non-hedgeable? Please explain.

Industrial Customer Groups to ExGen - Set I, Question No. 12:

Would ExGen describe generation costs as non-hedgeable? Please explain.

Industrial Customer Groups to ExGen - Set I, Question No. 13:

Have capacity rates between 2011 and 2016 been subject to more variability than NITS rates for Met-Ed, Penelec, Penn Power, or West Penn? If not, please explain why.

Industrial Customer Groups to ExGen - Set I, Question No. 14:

Have generation rates between 2011 and 2016 been subject to more variability than NITS rates for Met-Ed, Penelec, Penn Power, or West Penn? If not, please explain why.

Industrial Customer Groups to ExGen - Set I, Question No. 15:

How often do capacity rates change for each of the Companies (e.g., daily, quarterly, annually, etc.)?

Industrial Customer Groups to ExGen - Set I, Question No. 16:

How often do generation rates change for each of the Companies (e.g., daily, quarterly, annually, etc.)?

2. ExGen objects to each interrogatory of the Industrial Customer Groups referring to generation and capacity costs as irrelevant or beyond the scope (Interrogatories 4-6, 8-9, and 11-16). In addition, ExGen objects to the Industrial Customer Groups' interrogatories that seek information related to NITS rates and rate changes (Interrogatories 1-2, 15-16).

3. The Industrial Customer Groups' interrogatories request information directly relevant to this proceeding and issues raised in ExGen's Direct Testimony. In Direct Testimony, ExGen proposes that electric generation suppliers ("EGSs") no longer collect Network Integration Transmission Service ("NITS" or "transmission")<sup>1</sup> costs from customers, and that the FirstEnergy Companies ("Companies") begin collecting these costs instead. As part of its testimony, ExGen explains that suppliers currently includes transmission, generation, and capacity costs in their bids to provide service to customers.<sup>2</sup> ExGen claims that transmission costs should be charged and collected instead by the

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<sup>1</sup> The Industrial Customer Groups use "NITS" and "transmission" interchangeably herein.

<sup>2</sup> "For example, winning bidders in the competitive procurement process must fulfill all obligations imposed on a load serving entity ("LSE") by PJM. These obligations include, among other things, the obligation to: (i) provide energy, capacity and transmission service (including NITS, but subject to specific exclusions)...." ExGen Statement No. 1, Direct Testimony of Lael Campbell, p. 7.

Companies because they are "volatile," "non-hedgeable," and "non-market based."<sup>3</sup> A centrally relevant question to this issue is what differentiates NITS costs (which ExGen proposes for non-bypassable collection by the Companies) from capacity and generation costs (which ExGen does not propose for non-bypassable collection by the Companies). In other words, why is ExGen proposing that EGSs no longer be responsible for transmission costs but continue to be responsible for capacity and generation costs? The removal of transmission costs from EGS contracts may not be viewed in a vacuum. The relative volatility, non-hedgeability, and non-market based nature of these charges must be compared in order to evaluate the merit of ExGen's proposal. Moreover, ExGen's responses to the Industrial Customer Groups' interrogatories seeking information regarding how ExGen differentiates NITS from generation and capacity would lead to admissible evidence in this proceeding, thereby rendering these interrogatory requests within the scope of this proceeding.

4. The Industrial Customer Groups' interrogatories related to NITS rates and rate changes (for NITS, generation, and capacity costs) are similarly relevant and impose no undue burden on ExGen. The alleged volatility of NITS rates in the Companies' service territories is a central issue within ExGen's testimony. A comparison of the NITS rates for all the Companies, and a comparison to the rate changes for generation and capacity costs, is necessary to evaluate this volatility. Further, in Direct Testimony, ExGen provides a list of the NITS rates for Penn Power for the last four years.<sup>4</sup> In doing so, ExGen acknowledges that NITS rates for the Companies are relevant and that it can, without much effort, identify and provide the NITS rates (and presumably, the generation and capacity rate changes) for the Companies in previous years.

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<sup>3</sup> See *id.* at 3, 6, 10.

<sup>4</sup> *Id.* at 10, Exhibit LC-1.

5. Pursuant to the December 3, 2015, Prehearing Order issued in this proceeding, "[m]otions to dismiss objections and/or directing the answering of interrogatories shall be filed within three (3) calendar days of service of written objections." Consistent with this Prehearing Order, the Industrial Customer Groups file this Motion to Compel on February 19, 2016.

6. Hearings are scheduled to begin in this proceeding on February 24, 2016. To the extent the Industrial Customer Groups' Motion to Compel is granted, the Industrial Customer Groups seek to receive ExGen's interrogatory responses before hearings begin. The Industrial Customer Groups anticipate using some or all of ExGen's responses as evidence in this proceeding. Accordingly, the Industrial Customer Groups respectfully request that, assuming the Industrial Customer Groups' Motion is granted, Your Honor require ExGen to expeditiously respond to and provide such interrogatory responses before the hearings begin.

## II. MOTION TO COMPEL

### A. ExGen Should Be Compelled To Answer Industrial Customer Group Interrogatory Nos. 4-6, 8-9, and 11-16.

7. "A party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action . . . ." 52 Pa. Code 5.321(c); *see also* Pa. R. Civ. P. No. 4003.1. Relevancy should be interpreted broadly and liberally, and any doubts regarding the relevancy of subject matter should be resolved in favor of relevancy. *Koken v. One Beacon Ins. Co.*, 911 A.2d 1021, 1025 (Pa. Commw. Ct. 2006). The party contending discovery is not relevant has the burden of proving irrelevancy. *Id.*

8. In its Objections, ExGen contends that Interrogatory Nos. 4-6, 8-9, and 11-16, which request information related to generation and capacity costs, are irrelevant and beyond the scope of the instant proceeding.

9. In Direct Testimony, ExGen proposes that EGSs cease collecting NITS costs from customers and that the Companies begin collect these costs instead. ExGen acknowledges that suppliers currently include NITS costs, generation costs, and capacity costs in their bids to provide service to customers.<sup>5</sup> ExGen contends that the Companies, instead of EGSs, should begin charging for and collecting NITS costs because NITS costs are volatile, non-market based, and non-hedgeable.<sup>6</sup> ExGen does not propose any change to the collection of capacity and generation costs by EGSs.

10. To evaluate the merit of ExGen's proposal, evidence regarding generation and capacity costs, which have not been proposed for non-bypassable collection by ExGen, is directly relevant and within the scope of this proceeding. Your Honor and the Commission are asked to approve moving NITs cost collection, but not generation or capacity cost collection, from EGSs to the Companies on the basis that NITS costs are volatile, non-market based, and non-hedgeable. It is impossible to conclude that NITS costs are volatile, non-market based, and non-hedgeable without comparing them to other costs that would continue to be collected by EGSs. For example, if the other costs currently collected by EGSs fluctuate more frequently than NITS costs, then a strong argument exists that NITS costs are not volatile. NITS costs cannot be inherently volatile; their volatility may only be determined through comparison to other costs collected by EGSs. If it turns out that generation or capacity costs are more volatile, then one of the primary justifications offered by ExGen to support its proposal would prove

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<sup>5</sup> ExGen Statement No. 1, Direct Testimony of Lael Campbell, p. 7.

<sup>6</sup> *See id.* at 3, 6, 10.

false. Because additional information related to whether generation and capacity costs are volatile, non-market based, and non-hedgeable is directly relevant to the legitimacy of ExGen's proposal, ExGen should be required to answer the Industrial Customer Groups' interrogatories related to these costs.

11. The nature of generation and capacity costs as volatile, non-market based, and non-hedgeable is clearly "relevant to the subject matter involved in the pending action . . . ." *See* 52 Pa. Code § 5.321(c). The distinguishing factors among generation, capacity, and NITS costs have a direct bearing on the reasonableness of ExGen's proposal. Accordingly, ExGen should be compelled to answer Industrial Customer Group Interrogatory Nos. 4-6, 8-9, and 11-16, as they request relevant information within the scope of this proceeding.

12. ExGen further objects to Industrial Customer Group Interrogatory Nos. 5, 8, 11, 13, and 14 as either unduly vague or calling for speculation. Neither of these objections are appropriate discovery objections under the Pennsylvania Rules of Civil Procedure. *See* Pa. R. Civ. P. No. 4011. On this basis alone, ExGen's objections on the grounds of vagueness and speculation should be disregarded. ExGen is required to answer Industrial Customer Group Interrogatory Nos. 5, 8, 11, 13, and 14 to the best of its ability, and to the extent clarification is needed regarding the meaning of any of the interrogatories, the instructions of the Industrial Customer Group Interrogatories – Set I, direct ExGen to reach out to the Industrial Customer Groups to obtain such clarification. No legitimate basis exists for ExGen's objections to these interrogatories, and ExGen should be compelled to answer Industrial Customer Group Interrogatory Nos. 5, 8, 11, 13, and 14.

**B. FirstEnergy Should Be Compelled To Answer Industrial Customer Group Interrogatory Nos. 1, 2, 15, and 16.**

13. ExGen also objects to Industrial Customer Group Interrogatory Nos. 1, 2, 15, and 16, as irrelevant and unduly burdensome. Interrogatory Nos. 1 and 2 request that ExGen identify NITS rates and rate changes for the Companies over the past five years. For comparison purposes, Interrogatory Nos. 15 and 16 ask that ExGen identify the frequency of rate changes for generation and capacity costs. ExGen claims that answering each of these interrogatories is unduly burdensome because they seek information "that belongs to other parties, namely, the Companies."

14. In Direct Testimony, ExGen refers to the NITS rates of one of the Companies, Penn Power, for the past four years.<sup>7</sup> Because ExGen clearly refers to the NITS rate and rate changes of Penn Power, the Industrial Customer Groups' interrogatories related to the NITS rates and rate changes for all the Companies are clearly relevant. Similarly, a comparison of the frequency of NITS rate changes to the frequency of generation and capacity rate changes provides important and relevant information related to the volatility of NITS costs (as discussed in the prior section).

15. ExGen's objections to these interrogatories as unduly burdensome should likewise be rejected. ExGen lists the NITS rates in Penn Power over the last four years and analyzes the rate changes over that period. ExGen clearly already has access to this information and can provide it without burden to the Industrial Customer Groups. Moreover, ExGen's contention that this information somehow "belongs" to the Companies, and therefore ExGen should not be required to provide it, is not an accepted discovery objection under the Rules of Civil Procedure. *See* Pa. R. Civ. P. No. 4011.

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<sup>7</sup> *Id.* at 10, Exhibit LC-1.

16. ExGen, as a supplier operating in the Companies' service territories, should also have access to information related to the frequency of generation and capacity cost changes. ExGen offers products that include generation, transmission, and capacity costs, and it is reasonable to assume that ExGen can provide this additional information related to generation and capacity costs without much effort. ExGen's objections do not indicate that it cannot access this information, only that it believes ExGen should not be required to answer these interrogatories because this information "belongs" to the Companies. Again, this is not a legitimate discovery objection and ExGen should be compelled to answer.

### III. CONCLUSION

**WHEREFORE**, the Industrial Customer Groups respectfully request that Your Honor provide relief as follows:

- (1) Dismiss ExGen's Objections to Industrial Customer Group Interrogatory Nos. 1-2, 4-6, 8-9, and 11-16; and
- (2) Compel ExGen to Answer Industrial Customer Group Interrogatory Nos. 1-2, 4-6, 8-9, and 11-16 before February 24, 2016.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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the West Penn Power Industrial Intervenors

Dated: February 19, 2016

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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- 1-1. **Please reference ExGen's Direct Testimony, Statement No. 1, at 3, lines 13-20. Please provide the NITS rates for Met-Ed, Penelec, Penn Power, and West Penn for each year beginning in 2011 through 2016. Please also provide the percent change in NITS rates from year to year for each Company.**

**OBJECTION:**

ExGen objects to this request on grounds of relevance to the referenced text at ExGen Statement No. 1, at 3, lines 13-20.<sup>1</sup> ExGen Further objects to this request on grounds that the request seeks information publicly available. ExGen further objects to this request on grounds of undue burden to the extent it requires ExGen to mine data from publicly available sources when the information belongs to parties in this proceeding, namely Met-Ed, Penelec, and West Penn.

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<sup>1</sup> The text referenced at ExGen Statement No. 1, at 3, lines 13-20 is as follows:

Non-market based charges,” or “NMB charges” are cost-based charges that are not tied to supply and demand fundamentals and transparent market outcomes. The key element to non-market-based charges is that they cannot be hedged, managed or predicted by suppliers. If suppliers are responsible for these non-market based charges, because the risks cannot be hedged in the market, the supplier must either wear the risk itself, or manage the inherent risk and uncertainty via risk premiums or pass-through provisions in retail contracts.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-2. When was the last time Met-Ed, Penelec, and West Penn modified their NITS rates?**

**OBJECTION:**

ExGen objects to this request on grounds that the request seeks information publicly available. ExGen further objects to this request on grounds of undue burden to the extent it requires ExGen to mine data from publicly available sources when the information belongs to parties to this proceeding, namely Met-Ed, Penelec, and West Penn.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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- 1-4. Please reference ExGen's Direct Testimony, Statement No. 1, at 3, lines 13-20. What components of NITS costs are distinguishable from capacity costs and generation costs, which have not been proposed for non-bypassable collection through the Companies' DSSRs?**

**OBJECTION:**

ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding generation or capacity costs and the appropriate cost recover for same. For instance, Mr. Campbell's reference, in ExGen Statement No. 1 at 7, line 7, to the Petition at page 6 that includes the words "capacity" is merely a recitation of the service obligations of winning bidders and is not testimony on the appropriate collection of capacity and generation costs. ExGen further objects on grounds of relevance to the referenced text at ExGen Statement No. 1, at 3, lines 13-20.<sup>2</sup>

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<sup>2</sup> The text referenced at ExGen Statement No. 1, at 3, lines 13-20 is as follows:

Non-market based charges," or "NMB charges" are cost-based charges that are not tied to supply and demand fundamentals and transparent market outcomes. The key element to non-market-based charges is that they cannot be hedged, managed or predicted by suppliers. If suppliers are responsible for these non-market based charges, because the risks cannot be hedged in the market, the supplier must either wear the risk itself, or manage the inherent risk and uncertainty via risk premiums or pass-through provisions in retail contracts.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-5. Would ExGen describe capacity costs as non-market based? Please explain.**

**OBJECTION:**

ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding generation or capacity costs and the appropriate cost recover for same. For instance, Mr. Campbell's reference, in ExGen Statement No. 1 at 7, line7, to the Petition at page 6 that includes the words "capacity" is merely a recitation of the service obligations of winning bidders and is not testimony on the appropriate recovery of capacity and generation costs. Moreover, ExGen objects to this request on grounds that the interrogatory is unduly vague in its use of the term "capacity" as among other uses, the term "capacity" could be used to refer to the ability to procure adequate energy supply or to a specific product offered in an RTO or ISO.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-6. Would ExGen describe generation costs as non-market based? Please explain.**

**OBJECTION:**

ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding generation or capacity costs and the appropriate cost recovery for same. For instance, Mr. Campbell's use of the word "generation" in ExGen Statement No. 1 at 4, line 10, is merely to specify whether the customer is receiving service from an EGS or an EDC and is not testimony regarding the appropriate means to recover generation costs.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-8. Would ExGen describe capacity costs as volatile? Please explain.**

**OBJECTION:**

ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding capacity costs and the appropriate cost recovery for same. For instance, Mr. Campbell's reference, in ExGen Statement No. 1 at 7, line 7, to the Petition at page 6 that includes the words "capacity" is merely a recitation of the service obligations of winning bidders and is not testimony on the appropriate recovery of capacity costs. Moreover, ExGen objects to this request on grounds that the interrogatory is unduly vague in its use of the term "capacity" as among other uses, the term "capacity" could be used to refer to the ability to procure adequate energy supply or to a specific product offered in an RTO or ISO. Finally, ExGen objects to this request to the extent it calls for speculation.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-9. Would ExGen describe generation costs as volatile? Please explain.**

**OBJECTION:**

ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding generation or capacity costs and the appropriate cost recovery for same. For instance, Mr. Campbell's use of the word "generation" in ExGen Statement No. 1 at 4, line 10, is merely to specify whether the customer is receiving service from an EGS or an EDC and is not testimony regarding the appropriate means to recover generation costs.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-11. Would ExGen describe capacity costs as non-hedgeable? Please explain.**

**OBJECTION:**

ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding capacity costs and the appropriate cost recovery for same. For instance, Mr. Campbell's reference, in ExGen Statement No. 1 at 7, line 7, to the Petition at page 6 that includes the words "capacity" is merely a recitation of the service obligations of winning bidders and is not testimony on the appropriate recovery of capacity costs. Moreover, ExGen objects to this request on grounds that the interrogatory is unduly vague in its use of the term "capacity" as among other uses, the term "capacity" could be used to refer to the ability to procure adequate energy supply or to a specific RTO/ISO product. Finally, ExGen objects to this request to the extent it calls for speculation.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-12. Would ExGen describe generation costs as non-hedgeable? Please explain.**

**OBJECTION:**

ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding generation or capacity costs and the appropriate cost recovery for same. For instance, Mr. Campbell's use of the word "generation" in ExGen Statement No. 1 at 4, line 10, is merely to specify whether the customer is receiving service from an EGS or an EDC and is not testimony regarding the appropriate means to recover generation costs.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

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- 1-13. Have capacity rates between 2011 and 2016 been subject to more variability than NITS rates for Met-Ed, Penelec, Penn Power, or West Penn? If not, please explain why.**

**OBJECTION:**

ExGen objects to this request on grounds of undue burden in that a response would require ExGen's witness in this case to obtain and review material outside of the scope of ExGen's testimony in this matter and to also speculate. ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding capacity rates and the appropriate cost recovery for same. For instance, Mr. Campbell's reference, in ExGen Statement No. 1 at 7, line 7, to the Petition at page 6 that includes the words "capacity" is merely a recitation of the service obligations of winning bidders and is not testimony on the appropriate recovery of capacity costs. Moreover, ExGen objects to this request on grounds that the interrogatory is unduly vague in its use of the term "capacity" as among other uses, the term "capacity" could be used to refer to the ability to procure adequate energy supply or to a specific product offered in an RTO or ISO. ExGen also objects to this request on grounds that the interrogatory is unduly vague in its use of the term "variability." Finally, ExGen objects to this request on grounds of relevance as the response to it is not likely to lead to admissible evidence because no witness in this case has discussed a nexus between variability in capacity rates (in an unspecified capacity market) and NITS rates in Met-ED, Penelec, Penn Power or West Penn territory.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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- 1-14. Have generation rates between 2011 and 2016 been subject to more variability than NITS rates for Met-Ed, Penelec, Penn Power, or West Penn? If not, please explain why.**

**OBJECTION:**

ExGen objects to this request on grounds of undue burden in that a response would require ExGen's witness in this proceeding to obtain and review material outside of the scope of ExGen's testimony in this matter and to also speculate. ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding generation rates. ExGen also objects to this request on grounds that the interrogatory is unduly vague in its use of the term "variability." Finally, ExGen objects to this request on grounds of relevance as the response to it is not likely to lead to admissible evidence because no witness in this case has discussed a nexus between variability in generation rates and NITS rates in Met-ED, Penelec, Penn Power or West Penn territory.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

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**1-15. How often do capacity rates change for each of the Companies (e.g., daily, quarterly, annually, etc.)?**

**OBJECTION:**

ExGen objects to this request on grounds of undue burden in that a response would require ExGen's witness in this proceeding to obtain and review material outside of the scope of ExGen's testimony in this matter and to also speculate. ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding capacity rates and the appropriate cost recovery for same. For instance, Mr. Campbell's reference, in ExGen Statement No. 1 at 7, line 7, to the Petition at page 6 that includes the words "capacity" is merely a recitation of the service obligations of winning bidders and is not testimony on the appropriate recovery of capacity costs. Finally, ExGen objects to this request on grounds of relevance as the response to it is not likely to lead to admissible evidence because no witness in this case has discussed a nexus between the frequency of changes in capacity rates (in an unspecified capacity market) and NITS rates. Finally, ExGen objects to this request as unduly burdensome as to ExGen because it seeks information from ExGen that belongs to other parties to this proceeding, namely the Companies.

**OBJECTIONS OF EXELON GENERATION LLC  
TO THE INTERROGATORIES OF THE MET-ED INDUSTRIAL USERS GROUP,  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND  
WEST PENN POWER INDUSTRIAL INTERVENORS  
INTERROGATORIES SET I TO EXELON GENERATION, LLC**

**SET I**

**DOCKET NOS. P-2015-2511333; P-2015-2511351; P-2015-2511355; P-2015-2511356**

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**1-16. How often do generation rates change for each of the Companies (e.g., daily, quarterly, annually, etc.)?**

**OBJECTION:**

ExGen objects to this request on grounds of undue burden in that a response would require ExGen's witness in this proceeding to obtain and review material outside of the scope of ExGen's testimony in this matter and to also speculate. ExGen objects to this request on grounds that the interrogatory is beyond the scope of Mr. Campbell's testimony. Mr. Campbell testifies regarding the NITS component of transmission service costs but does not testify regarding generation rates and the appropriate cost recovery for same. For instance, Mr. Campbell's use of the word "generation" in ExGen Statement No. 1 at 4, line 10, is merely to specify whether the customer is receiving service from an EGS or an EDC and is not testimony regarding the appropriate means to recover generation costs. Moreover, ExGen objects to this request on grounds of relevance as the response to it is not likely to lead to admissible evidence because no witness in this case has discussed a nexus between the frequency of changes in generation rates (in an unspecified capacity market) and NITS rates. Finally, ExGen objects to this request as unduly burdensome as to ExGen because it seeks information from ExGen that for the most part, belongs to other parties to this proceeding, namely the Companies.