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June 16, 2016

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

**VIA ELECTRONIC FILING**

**RE: Pennsylvania Public Utility Commission v. West Penn Power Company  
Docket Nos. R-2016-2537359, C-2016-2542278, C-2016-2543315, C-2016-2544359,  
C-2016-2548424, and C-2016-2549413**

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum of the West Penn Power Industrial Intervenors ("WPPII") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Susan E. Bruce', is written over a horizontal line. Below the signature, the name 'Susan E. Bruce' is printed in a small, sans-serif font.

Counsel to the West Penn Power Industrial Intervenors

Enclosures

c: Administrative Law Judge Mary D. Long (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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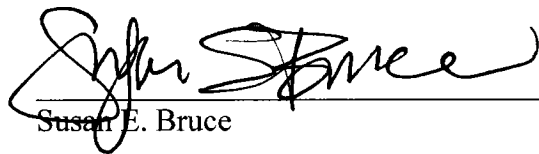
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**VIA FIRST-CLASS MAIL**

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\_\_\_\_\_  
Susan E. Bruce

Counsel to the West Penn Power Industrial  
Intervenors

Dated this 16<sup>th</sup> day of June, 2016, at Harrisburg, Pennsylvania

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et al	:	R-2016-2537359
	:	C-2016-2542278
v.	:	C-2016-2543315
	:	C-2016-2544359
West Penn Power Company	:	C-2016-2548424
	:	C-2016-2549413

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**PREHEARING MEMORANDUM OF  
THE WEST PENN POWER INDUSTRIAL INTERVENORS**

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Pursuant to Administrative Law Judge ("ALJ") Mary D. Long's June 9, 2016, Prehearing Conference Order, the West Penn Power Industrial Intervenors ("WPPII") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

**I. HISTORY OF THE PROCEEDING**

On April 28, 2016, West Penn Power Company ("West Penn" or "Company") filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") its Supplement No. 10 to Tariff Electric Pa. P.U.C. No. 38 and Supplement No. 15 to Tariff Electric – Pa. P.U.C. No. 40, proposed to become effective on June 27, 2016.<sup>1</sup> Through this filing, West Penn requested a distribution rate increase of \$98.2 million and a proposed Return on Equity ("ROE") of 10.9%. In addition, West Penn proposed minor changes to the rate design for Large Commercial and Industrial ("C&I") customers in its service territory, specifically for Schedule 44 and 46 customers, including, among other things, modifications to West Penn's demand charge, voltage discount, and energy charge.

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<sup>1</sup> Proposed Supplement No. 10 to Tariff Electric – Pa. P.U.C. No. 38 applies only to the University Park campus of the Pennsylvania State University. Proposed Supplement No. 15 is applicable throughout West Penn's service area.

On June 6, 2016, WPPII filed a Complaint to West Penn's filing. A description of WPPII is set forth in Paragraph 6 of its Complaint.

A Prehearing Conference has been scheduled in this proceeding for June 17, 2016.

## **II. SERVICE LIST**

For purposes of service in the above-captioned proceeding, please direct all communications to:

Susan E. Bruce (Pa. I.D. No. 80146)  
Vasiliki Karandrikas (Pa. I.D. No. 89711)  
Kenneth Stark (Pa. I.D. No. 312945)  
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## **III. ANTICIPATED ISSUES AND SUB-ISSUES**

WPPII's preliminary review of West Penn's filing indicates the need for Commission investigation into at least the following issues:

- (a) whether the size of West Penn's requested rate increase is appropriate;
- (b) whether the expenses claimed by West Penn were prudently incurred;
- (c) whether the allocation of the proposed distribution rate increase between and among West Penn's customer classes is just, reasonable, and non-discriminatory;
- (d) whether West Penn's proposed rate structure and rate design is appropriate;
- (e) whether the 10.9% return on equity proposed by West Penn results in a fair rate of return;
- (f) whether West Penn's claimed costs of service are accurate, legitimate, and appropriately allocated;

- (g) whether implementation of the proposed changes to West Penn's rules and riders are appropriate and lawful; and,
- (h) whether West Penn's proposed tariff changes result in unjust and unreasonable service for customers.

WPPII anticipates pursuing these issues during this proceeding and also reserves the right to raise further issues and to respond to all matters raised by other parties.

#### **IV. PROPOSED WITNESSES**

WPPII expects to sponsor expert testimony regarding the aforementioned issues by the following witnesses:

Mr. Jeffry Pollock  
J. Pollock, Inc.  
12647 Olive Blvd, Suite 585  
St. Louis, MO 63141  
Phone: (314) 878-5814  
[JCP@jpollockinc.com](mailto:JCP@jpollockinc.com)

Ms. Billie LaConte  
J. Pollock, Inc.  
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St. Louis, MO 63141  
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[BSL@jpollockinc.com](mailto:BSL@jpollockinc.com)

WPPII reserves the right to modify or supplement this witness list during the course of this proceeding. In the event that WPPII decides to modify or supplement the witness list, it will inform the parties and the ALJ as soon as possible of the intended witnesses. WPPII also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

#### **V. PROPOSED SCHEDULE AND DISCOVERY RULES**

WPPII will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ.

## **VI. STATEMENT OF EVIDENCE**

WPPII's witness(es) plan to submit Direct Testimony, as well as Rebuttal and Surrebuttal Testimony, as necessary, in addition to providing evidence, in the form of cross-examination and exhibits, at the Hearing related to the issues and sub-issues as mentioned above.

## **VII. PROTECTIVE ORDER**

WPPII will cooperate with the ALJ and the parties at the Prehearing Conference to develop a protective order in accordance with the Commission's regulations and any directives issued by the ALJ.

## **VIII. POSSIBILITY OF SETTLEMENT**

WPPII is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

Susan E. Bruce (Pa. I.D. No. 80146)

Vasiliki Karandrikas (Pa. I.D. No. 89711)

Kenneth Stark (Pa. I.D. No. 312945)

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Dated: June 16, 2016