COMMONWEALTH OF PENNSYLVANIA

June 16, 2016

E-FILED

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

Re: Pennsylvania Public Utility Commission vs. West Penn Power Company
Docket No. R-2016-2537359

Dear Secretary Chiavetta:

I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Copies will be served today on all known parties in this proceeding, as indicated on the enclosed Certificate of Service. If you have any questions, please do not hesitate to contact me.

Sincerely,

Daniel G. Asmus
Assistant Small Business Advocate
Attorney ID No. 83789

Enclosures

cc: The Honorable Charles E. Rainey, Jr.
Robert D. Knecht
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	
METROPOLITAN EDISON CO.,	:	**Docket No. R-2016-2537349**
PENNSYLVANIA ELECTRIC CO.,	:	**Docket No. R-2016-2537352**
PENNSYLVANIA POWER CO., and	:	**Docket No. R-2016-2537355**
WEST PENN POWER CO.	:	**Docket No. R-2016-2537359**

OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM

I. INTRODUCTION

The Office of Small Business Advocate ("OSBA") is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (the "Commission") pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 ("the Act"). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to these proceedings. Please address all correspondence as follows:

Daniel G. Asmus, Esquire
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street – Suite 202
Harrisburg, PA 17101
(717) 793-2525
(717) 783-2831 (fax)
dasmus@.pa.gov

II. BACKGROUND

On or about April 28, 2016, Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power") and West Penn Power Company ("West Penn") (collectively, "First Energy" or "the Companies") each filed a Tariff with the Pennsylvania Public Utility Commission ("Commission") seeking approval for an increase in distribution rates. Those filings are Supplement 23 to Tariff Electric Pa. P.U.C. No. 52 (Met-Ed), Supplement 23 to Tariff Electric Pa. P.U.C. No. 81 (Penelec), Supplement 17 to Tariff Electric Pa. P.U.C. No. 36 (Penn Power), and Supplement 10 to Tariff Electric Pa. P.U.C. No. 38 (West Penn).

Met-Ed seeks an increase in total electric distribution revenues of approximately $140.2 million per year. Penelec seeks an increase in total electric distribution revenues of approximately $158.8 million per year. Penn Power seeks an increase in total electric distribution revenues of approximately $42.0 million per year. West Penn seeks an increase in total electric distribution revenues of approximately $98.2 million per year.

The OSBA filed a Complaint in each individual case, as well as a Notice of Appearance and Public Statement on May 8, 2016.

Other parties to these cases include the Pennsylvania Office of Consumer Advocate ("OCA"); the Commission's Bureau of Investigation and Enforcement ("I&E"); the Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the West Penn Power Industrial Intervenors ("WPPII"); AK Steel Corp.; Worthington Borough; International Brotherhood of Electrical Workers ("IBEW"); the Coalition for Affordable Utility Services and Energy

Efficiency in Pennsylvania ("CAUSE-PA"), the Clean Air Council and several individual complainants.

A Prehearing Conference is scheduled for June 17, 2016, at 10:00 am. This Prehearing Memorandum is being filed pursuant to the Prehearing Conference Order issued by Administrative Law Judge ("ALJ") Mary D. Long, dated June 9, 2016.

III. WITNESSES

Assisting in the development and presentation of the OSBA's positions in these cases will be:

Penn Power and West Penn:

Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
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rdk@indecon.com

Met-Ed and Penelec:

Brian Kalcic
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excel.consulting@sbcglobal.net

The OSBA requests that all parties serve copies of all documents, including discovery, testimony and briefs, upon Mr. Knecht and Mr. Kalcic simultaneously with service upon the OSBA.

The OSBA anticipates that it will present testimony by Mr. Knecht and Mr. Kalcic.

IV. IDENTIFICATION OF ISSUES

The OSBA is participating in these cases to ensure that the interests of small commercial and industrial ("small C&I") customers of First Energy are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the parties, primarily through discovery, cross-examination of witnesses appearing for those parties, submission of testimony and briefing of the issues that arise in this proceeding. The OSBA is still in the process of analyzing the filings, but will most likely focus on the following issues:

1. Small C&I rates.
2. Cost of service and cost allocation.
3. Revenue allocation.
4. Rate design.

The OSBA anticipates filing the direct, rebuttal and surrebuttal testimony of its witnesses, Robert D. Knecht and Brian Kalcic, pursuant to the procedural schedule currently being developed by the parties, and will make every attempt to provide written requests for information from another party prior to the time of the hearing.

The OSBA will work diligently with the ALJ and the other parties to ensure that exhibits, admissions, stipulations, limitations of witnesses, discovery/production and other matters pertaining to the orderly conduct and disposition of these proceedings will be handled in an expeditious manner.

The OSBA reserves the right to pursue additional issues as they may arise throughout the course of these proceedings.

V. DISCOVERY

The OSBA has not yet propounded interrogatories to the Companies; however, discovery is ongoing at this time.

VI. SERVICE OF DOCUMENTS

The OSBA agrees to accept electronic delivery of documents on the due date as satisfying the in-hand requirement, if followed by hard copy delivery to the OSBA and its witness by first class mail. Electronic service only is not acceptable.

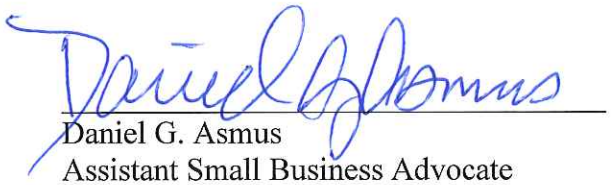
VII. SETTLEMENT

The OSBA is willing to enter into settlement discussions at any phase of these proceedings.

VIII. PROCEDURAL SCHEDULE

The OSBA is cooperating with the other parties to develop a mutually acceptable schedule for the remainder of the case. It is the OSBA's understanding that the Companies have requested the consolidation of these four rate cases for purposes of scheduling, hearings, briefing and decision. The OSBA supports that request.

Respectfully submitted,



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Dated: June 16, 2016

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

West Penn Power Company – General Base Rate Filing	:	**Docket No. R-2016-2537359**

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or first-class mail (unless other noted below) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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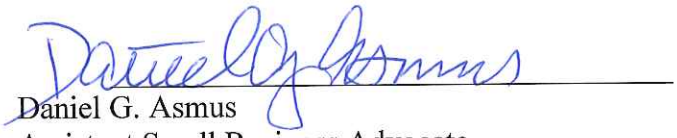
DATE: June 16, 2016



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