

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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March 6, 2017

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Application of Transource Pennsylvania, LLC
for All of the Necessary Authority, Approvals
And Certificates of Public Convenience (1) to
Begin to Furnish and Supply Electric
Transmission Service in Franklin and York
counties, Pennsylvania; (2) for Certain
Affiliated Interest Agreements; and (3) for any
Other Approvals Necessary
Docket No. A-2017-2587821

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Protest and Public Statement in
the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

Kristine E. Marsilio

Kristine E. Marsilio
Assistant Consumer Advocate
PA Attorney I.D. # 316479

Enclosure

cc: Office of Special Assistants
Certificate of Service

*230251

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Transource Pennsylvania, LLC :
for All of the Necessary Authority, Approvals : Docket No. A-2017-2587821
And Certificates of Public Convenience :
(1) to Begin to Furnish and Supply Electric :
Transmission Service in Franklin and York :
Counties, Pennsylvania; (2) for Certain :
Affiliated Interest Agreements; and (3) for :
any Other Approvals Necessary :

PROTEST OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to 52 Pa. Code Sections 5.51, *et seq.* and 66 Pa. C. S. Sections 1101, *et seq.*, the Office of Consumer Advocate (OCA) files this Protest to the Application of Transource Pennsylvania, LLC (Transource of the Company) for All the Necessary Authority, Approval And Certificates of Public Convenience (1) to Begin to Furnish and Supply Electric Transmission Service in Franklin and York Counties, Pennsylvania; (2) for Certain Affiliated Interest Agreements; and (3) for any Other Approvals Necessary (Application). The OCA files this Protest in order to ensure that the Application is approved only if it is “necessary or proper for the service, accommodation, convenience or safety of the public,” pursuant to 66 Pa. C.S. Section 1103(a), and meets all legal requirements of the Public Utility Code and applicable Commission rules and regulations.

In support of this Protest, the OCA avers as follows:

1. The name and contact information of the Protestant is as follows:

Tanya J. McCloskey, Acting Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048

Throughout this Protest, the Protestant will be referred to as the Office of Consumer Advocate, or OCA.

2. The names and contact information for the OCA's attorneys for the purpose of receiving service of all documents in this proceeding are as follows:

Darryl Lawrence
Senior Assistant Consumer Advocate
Kristine E. Marsilio
Assistant Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
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Telephone: (717) 783-5048

3. The OCA is authorized by law to represent the interests of Pennsylvania's utility consumers in all matters before the Pennsylvania Public Utility Commission (Commission). 71 P.S. §§ 309-1 *et seq.*

4. In its Application, Transource seeks Commission approval to begin to furnish and supply electric service in Franklin and York Counties, Pennsylvania as part of a PJM-approved Market Efficiency Project, identified by PJM as Baseline Upgrade Numbers b2743 and b2752. Application at 1. PJM approved Baseline Upgrade Numbers b2743 and b2752 through a competitive selection process initiated by PJM to alleviate congestion constraints across the Pennsylvania and Maryland border. See Application at 1, 7.

5. The Application must be examined pursuant to Sections 1102 and 1103 of the Public Utility Code, 66 Pa.C.S. §§ 1102-1103.

6. Section 1102 of the Public Utility Code requires that the Commission issue a Certificate of Public Convenience as a legal prerequisite for any public utility to begin to offer, render, furnish or supply service within the Commonwealth. 66 Pa. C.S. § 1102(a)(1).

7. Section 1103 requires that a Certificate of Public Convenience shall only be granted upon findings that the granting of such certificate is “necessary or proper for the service, accommodation, convenience or safety of the public.” 66 Pa. C.S. § 1103(a).

8. Additionally, Section 1103 explicitly allows the Commission to impose conditions upon the issuance of a certificate of public convenience. 66 Pa. C.S. § 1103(a). Specifically, Section 1103(a) of the Code provides, “The Commission, in granting such a certificate, may impose such conditions as it may deem to be just and reasonable.” Id.

9. Upon a preliminary review of the Company’s filing, the Office of Consumer Advocate respectfully requests that the Pennsylvania Public Utility Commission not approve this Application at this time due to the issues discussed in more detail below and the need for additional information.

10. The OCA submits that the Application lacks sufficient information regarding the necessity or public benefit of granting Transource’s request for a Certificate of Public Convenience. In its Application, Transource concludes that “the electric service to be furnished by Transource PA is reasonably necessary for the accommodation or convenience of the public.” Application at 14, 17. The Company’s filing, however, does not include any testimony to support this conclusion. Rather, Transource’s conclusion regarding the public necessity of Baseline Upgrade Numbers b2743 and b2752 is based on the findings of PJM. See Application at 17-18. PJM found that Baseline Upgrade Numbers b2743 and b2752 “are necessary to alleviate transmission congestion costs across the Pennsylvania and Maryland border.”

Application at 18. PJM further determined that “the facilities required by Baseline Upgrade Numbers b2743 and b2752 are expected to save customers approximately \$620 million over 15 years.” Id. The OCA submits that the Commission should hold an evidentiary hearing to investigate the basis of PJM’s findings and the public benefits of approval of the Application.

11. Transource further states that the new transmission facilities provided for in Baseline Upgrade Numbers b2743 and b2752 “will enhance the electrical strength and reliability of the area’s electric transmission grid, provide additional and alternative paths to electricity in the case of transmission outages, and facilitate the interconnection of future reliability, generation, and load projects in the area[.]” Application at 18. The OCA submits that the filing does not include sufficient information or any testimony to support Transource’s position or to demonstrate that these benefits will be realized in Pennsylvania.

12. Moreover, the OCA submits that the Application raises issues regarding the public benefit/cost analysis of implementing the Market Efficiency Project. Specifically, Transource states that PJM selected this project because “it provided the best benefit-to-cost ratio, most total congestion savings, and the most production cost savings.” Application at 18. The Market Efficiency Project has an estimated cost of \$320.19 million and is expected to mitigate approximately \$620 million in energy market congestion based on a 15-year study period. See Application at 8 and Appendix 3, p. 1. The OCA submits, however, that transmission projects generally have a service life longer than 15 years. The Application does not provide sufficient information regarding the cost/benefit expectations after 15 years, or in the event the costs of the Market Efficiency Project are exceedingly larger than expected.

13. As such, the OCA submits that additional information is required to determine if approval of the Application is in fact necessary for the accommodation or convenience of the public.

14. The proposed Affiliated Interest Agreements will also require further review and investigation to determine whether such agreements are reasonable and consistent with the public interest.

15. Additionally, the OCA submits that the Commission may wish to consider the imposition of conditions in order to ensure that the public interest standard is met, pursuant to 66 Pa. C.S. § 1103(a).

16. The OCA reserves the right to raise additional issues as the case proceeds and further information is obtained from the Applicant.

WHEREFORE, the Office of Consumer Advocate respectfully requests that the Pennsylvania Public Utility Commission not approve this Application at this time due to the issues raised above and the need for additional information. The Office of Consumer Advocate respectfully requests that the Pennsylvania Public Utility Commission investigate and hold full hearings regarding the Application.

Respectfully submitted,

Kristine E Marsilio

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Dated: March 6, 2017

**PUBLIC STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 P.S. Section 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Protest and participate in proceedings before the Commission involving the Application of Transource Pennsylvania, LLC (Transource of the Company) for All the Necessary Authority, Approval And Certificates of Public Convenience (1) to Begin to Furnish and Supply Electric Transmission Service in Franklin and York Counties, Pennsylvania; (2) for Certain Affiliated Interest Agreements; and (3) for any Other Approvals Necessary (Application).

On February 7, 2017, Transource filed its Application with the Pennsylvania Public Utility Commission. In its Application, Transource seeks Commission approval to begin to furnish and supply electric service in Franklin and York Counties, Pennsylvania as part of a PJM-approved Market Efficiency Project, identified by PJM as Baseline Upgrade Numbers b2743 and b2752. Application at 1. PJM approved Baseline Upgrade Numbers b2743 and b2752 through a competitive selection process initiated by PJM to alleviate congestion constraints across the Pennsylvania and Maryland border. See Application at 1, 7.

The OCA has determined to intervene and participate in these proceedings in order to protect the interests of Pennsylvania customers. Through its participation in this proceeding the OCA seeks to ensure that the Company's Application is approved only if it is "necessary or proper for the service, accommodation, convenience, or safety of the public" and that

Pennsylvania customers are afforded the protections to which they are entitled under the Public Utility Code and the Commission's regulations.

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CERTIFICATE OF SERVICE

Application of Transource Pennsylvania, LLC :
for All of the Necessary Authority, Approvals : Docket No. A-2017-2587821
And Certificates of Public Convenience :
(1) to Begin to Furnish and Supply Electric :
Transmission Service in Franklin and York :
Counties, Pennsylvania; (2) for Certain :
Affiliated Interest Agreements; and (3) for :
any Other Approvals Necessary :

I hereby certify that I have this day served a true copy of the foregoing document, the
Office of Consumer Advocate's Protest, in the manner and upon the persons listed below:

Dated this 6th day of March 2017.

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