

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 18, 2017

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

Re: Application of Transource Pennsylvania, LLC
for a Certificate of Public Convenience to
Begin to Furnish and Supply Electric
Transmission Service in Franklin and York
Counties, Pennsylvania
Docket Nos. A-2017-2587821
G-2017-2587822

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Darryl A. Lawrence".

Darryl A. Lawrence
Senior Assistant Consumer Advocate
PA Attorney I.D. # 93682

Enclosure

cc: Honorable Elizabeth H. Barnes, ALJ
Certificate of Service

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approved 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. Further, the OCA submitted that further investigation and review is needed to determine if approval of the Application is necessary for the accommodation or convenience of the public and whether the proposed affiliated interest agreements are reasonable and consistent with the public interest.

Also on March 6, 2017, Mid-Atlantic Interstate Transmission, LLC (MAIT) filed a Petition to Intervene. On April 14, 2017, PECO Energy Company (PECO) filed a Petition to Intervene. This matter was assigned to the Office of Administrative Law Judge and further assigned to ALJ Elizabeth H. Barnes (ALJ Barnes). On May 8, 2017, ALJ Barnes issued a Prehearing Order establishing that a Prehearing Conference would be held on May 22, 2017, and that prehearing memorandum were due on or before May 18, 2017.

II. SERVICE ON THE OCA

The OCA will be represented in this proceeding by Senior Assistant Consumer Advocate Darryl Lawrence and Assistant Consumer Advocate Kristine E. Marsilio. A total of two copies of all documents should be served on the OCA as follows:

Kristine E. Marsilio
Assistant Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048
Email: KMarsilio@paoca.org

III. DISCOVERY

In order to effectively investigate and adequately develop a record in this proceeding, the OCA requests certain modifications to the Commission’s discovery rules, as set forth below:

A. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.

B. Responses to requests for document production and entry for inspection or other purposes must be served in-hand within ten (10) calendar days.

C. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

D. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories. Objections to interrogatories served on a Friday shall be communicated orally within four (4) calendar days, and unresolved objections shall be served to the ALJ in writing within six (6) days of service of the interrogatories.

E. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

F. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

G. Discovery and discovery-related pleadings propounded after 12:00 noon on a Friday or after 12:00 noon on any business day immediately preceding a state holiday will be deemed served on the next business day for purposes of determining the due date of the responses and responsive pleadings.

IV. PROPOSED SCHEDULE

The OCA will work with the other Parties and ALJ Barnes to develop a reasonable procedural schedule for the review and investigation of this Application.

V. WITNESSES

The OCA intends to present direct, rebuttal, and surrebuttal testimony of expert witnesses, as may be necessary. The OCA's witnesses will present testimony in written form and will also attach various exhibits, documents, and explanatory information which will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to its expert witnesses in this case, as well as mailing a copy to counsel for the OCA. The OCA's expert witness in this proceeding will be as follows:

Mr. Peter Lanzalotta
Lanzalotta & Associates LLC
67 Royal Point Drive
Hilton Head Island, SC 29926
Telephone: (843) 836-3278
Fax: (843) 836-2235
Email: peterlanz@lanzalotta.com

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

VI. ISSUES AND EVIDENCE

In this proceeding, the OCA and its experts are currently considering the following issues:

1. Whether Transource has shown the required Managerial, Technical and Financial fitness to be granted a certificate of public convenience in Pennsylvania;
2. Whether Transource has shown a need for the service that it proposes to provide in Pennsylvania;

3. Whether Transource has shown that no other entity is currently providing the service that it proposes to provide; and

4. Whether Transource has shown that the proposed affiliated interest agreements are consistent with the Public Utility Code, the Commission's Regulations and are reasonable and consistent with the public interest.

The OCA specifically reserves the right to expand this list of issues, as its review and investigation of this matter may require.

Specifically as to the need for the "service" that Transource intends to provide, the OCA notes that the Company has submitted a large amount of information as to certain new transmission infrastructure collectively referred to as the Independence Project. Among other related upgrades, the Independence Project would include the building of two new 230kV transmission lines originating in Pennsylvania and ending in Maryland. The Independence Project has been reviewed and approved by PJM as a market efficiency project, intended to address "congestion" issues that are alleged to exist in certain power pathways between the two states.

It is the OCA's understanding that Transource is planning a two-stage process as to the Independence Project. Stage One involves the current Application wherein Transource is seeking to become a public utility and to have its affiliated interest agreements approved. Stage Two would involve Transource submitting an application seeking a certificate of public convenience and authorization to build the Independence Project, or similar infrastructure.

The OCA submits that should the Company's current Application be granted, any subsequent applications seeking to construct the Independence Project or any other project must stand on their own merits and nothing in the current matter should be viewed as a

preauthorization or conclusion as to the eventual disposition of any congestion-relieving mechanism, whatsoever form that might take.

VII. SETTLEMENT

The OCA is willing to engage in settlement discussions with the Company and the other Parties to this matter at the appropriate time.

Respectfully submitted,



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May 18, 2017

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CERTIFICATE OF SERVICE

Application of Transource Pennsylvania, LLC :
For a Certificate of Public Convenience : Docket Nos. A-2017-2587821
To Begin to Furnish and Supply Electric : G-2017-2587822
Transmission Service in Franklin and York :
Counties, Pennsylvania :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 18th day of May 2017.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

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Bureau of Investigation & Enforcement
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SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

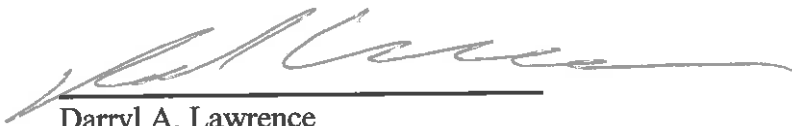
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