

Eckert Seamans Cherin & Mellott, LLC 213 Market Street - 8th Floor Harrisburg, PA 17101 TEL 717 237 6000 FAX 717 237 6019 www.eckertseamans.com

Carl Shultz 717.255.3742 cshultz@eckertseamans.com

June 14, 2010

### Via Electronic Filing

Rosemary Chiavetta, Secretary PA Public Utility Commission PO Box 3265 Harrisburg, PA 17105-3265

Re:

Joint Application of West Penn Power Company d/b/a Allegheny Power, Trans-Allegheny Interstate Line Company and FirstEnergy Corp. for a Certificate of Public Convenience under Section 1102(a)(3) of the Public Utility Code approving a change of control of West Penn Power Company and Trans-Allegheny Interstate Line Company, Docket Nos. A-2010-2176520 and A-2010-2176732

#### Dear Secretary Chiavetta:

On behalf of the Retail Energy Supply Association ("RESA") enclosed please find the original Petition to Intervene and the Prehearing Memorandum along with the electronic filing confirmation for each of the documents with regard to the above-referenced matter. Copies have been served in accordance with the attached Certificate of Service.

Sincerely yours,

Carl Shultz, Esq.

CS/lww Enclosure

cc: Hon. Wayne L. Weismandel, w/enc.

Cert. of Service w/enc.

#### **CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy RESA's Petition to Intervene and Prehearing Memorandum upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

## Via Email and/or First Class Mail

Randall B. Palmer, Esq.
Jennifer L. Petrisek, Esq.
Allegheny Energy, Inc.
800 Cabin Hill Dr.
Greensburg, PA 15601
rpalmer@alleghenyenergy.com
jpetrisek@alleghenyenergy.com

Wendy E. Stark, Esq.
Bradley A. Bingaman, Esq.
FirstEnergy Service Company
2800 Pottsville Pike
PO Box 16001
Reading, PA 19612-6001
starkw@firstenergycorp.com

W. Edwin Ogden, Esq.
Alan Michael Seltzer, Esq.
Ryan, Russell, Ogden & Seltzer, PC
1150 Berkshire Blvd., Suite 210
Womissing, PA 19610-1208
aseltzer@ryanrussell.com

Thomas P. Gadsden, Esq. Kenneth M. Kulak, Esq. Morgan, Lewis & Bockius 1701 Market St. Philadelphia, PA 19103-2921 tgadsden@morganlewis.com kkulak@morganlewis.com

Date: June 14, 2010

Irwin Popowsky, Esq.
Office of Consumer Advocate 5<sup>th</sup> Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923
spopowsky@paoca.org

William R. Lloyd, Jr., Esq.
Office of Small Business Advocate
1102 Commerce Building
300 N. Second St.
Harrisburg, PA 17101
willoyd@state.pa.us

Allison C. Kaster, Esq. Carrie B. Wright, Esq. Office of Trial Staff PO Box 3265 Harrisburg, PA 17101-3265 akaster@state.pa.us carwright@state.pa.us

Scott Rubin, Esq.
333 Oak Lane
Bloomsburg, PA 17815
Scott.j.rubin@gmail.com

Carl Shultz, Esq

# BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of West Penn Power

Company d/b/a Allegheny Power, Trans-

Allegheny Interstate Line Company and

FirstEnergy Corp. for a Certificate of

Public Convenience under Section 1102(a)(3) of the Public Utility Code

approving a change of control of West

Penn Power Company And Trans-

Allegheny Interstate Line Company

Docket No. A-2010-2176520

Docket No. A-2010-2176732

# PETITION TO INTERVENE OF RETAIL ENERGY SUPPLY ASSOCIATION

Pursuant to 52 Pa. Code §§ 5.72-5.75, the Retail Energy Supply Association ("RESA") hereby petitions to intervene in the Joint Application of West Penn Power Company d/b/a Allegheny Power ("Allegheny Power"), Trans-Allegheny Interstate Line Company ("TrAIL Co") and FirstEnergy Corp. ("First Energy") (Allegheny Power, TrAIL Co and First Energy are collectively referred to as the "Applicants" or the "Companies") for approval of the proposed change of control (by merger). In support of its intervention, RESA states as follows:

1. RESA is a trade association of power marketers, independent power producers, and a broad range of companies within the Mid-Atlantic marketplace, each of whom support the electric services industry and seek to develop a more competitive power industry. RESA members are licensed to sell electric energy in the markets of Pennsylvania's major electric

RESA's members include ConEdison Solutions; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energy Plus Holdings, LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Gexa Energy; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; Sempra Energy Solutions LLC. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA..

distribution companies ("EDCs"), including the service territories of Allegheny Power and First Energy.

2. RESA's attorneys in this matter are:

Daniel Clearfield, Esquire
Deanne M. O'Dell, Esq.
Carl R. Shultz, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Floor
P.O. Box 1248
Harrisburg, PA 17101
717.255.3744
Fax 717.237.6019
dclearfield@eckertseamans.com
dodell@eckertseamans.com
cshultz@eckertseamans.com

- 3. On May 14, 2010, the Applicants filed their Joint Application with the Pennsylvania Public Utility Commission ("PUC" or "Commission") for approval of their proposed merger. The combination (by merger) of the Applicants may impact both wholesale and retail electricity markets in the Commonwealth. The filing provides additional information related to the merger and the companies' commitments to support jobs, customers, communities and retail competition in Pennsylvania, including the agreement to use the current headquarters building of Allegheny Energy as the regional headquarters of West Penn Power.
- 4. The Commission has established a deadline of June 14, 2010 for the filing of Petitions to Intervene. *See* the Public Notice dated May 29, 2010 at 40 Pa.B. 2731, 2843. By Order dated May 24, 2010, the Honorable Wayne L. Weismandel scheduled a Prehearing Conference for Tuesday, June 22, 2010.

- 5. The Commission's regulations allow intervention where a person has an interest in the proceeding which may be directly affected and which is not adequately represented by existing parties, and as to which the person may be bound by the action of the Commission in the proceeding. 52 Pa. Code § 5.72(a)(2). Intervention is also permitted where participation of the person may be in the public interest. 52 Pa. Code § 5.72(a)(3). A "person" includes a corporation and an association. 52 Pa. Code § 1.8.
- 6. RESA meets the standards for intervention set forth in 52 Pa. Code § 5.72(a). As an organization whose members include competitive electric generation suppliers ("EGSs") licensed to do business in the Allegheny Power and First Energy service territories, RESA has interests that will be directly affected by this proceeding. RESA is working towards the creation of vibrant and sustainable competitive retail energy markets in Pennsylvania. RESA desires enhancing and promoting competitive markets in Pennsylvania and has participated in numerous Commission proceedings concerning competitive markets. These experiences place RESA is in a unique position to make a material contribution to the Commission's investigation of the proposed merger. Given the dynamics of competitive issues, RESA's interests are unique from and not adequately represented by other parties that may seek to intervene, including individual EGSs or other organizations interested in electric competition in Pennsylvania in general and in these service territories in particular.
- 7. It is well established that the proposed merger must be shown to produce affirmative public benefits in order to be approved as in the public interest. *City of York v. Pa. PUC*, 295 A.2d 825, 828 (Pa. 1972). This inquiry must include an investigation as to whether, after the merger, the competitive electricity markets in the Applicants' combined territories will be "properly functioning and workable." *See, e.g.*, 66 Pa. C.S. §§ 2802(3), 2802(5).

Accordingly, If the Commission does not conclude that the markets will be fully competitive, it must reject the merger (with respect to Pennsylvania) or attach terms and conditions necessary to produce a competitive market.

- 8. RESA's members must compete with each other and against other suppliers in these service territories, and the post-merger conditions may impact their ability to do business in these territories. Thus, the Commission's actions on the merger plan will have a substantial impact on the future involvement of competitive suppliers in these consolidated service territories.
- 9. RESA's intervention is in the public interest. See 52 Pa. Code § 5.72(a)(3). RESA's participation will enable it to contribute the unique perspectives and insights of a trade association representing multiple EGSs and complete presentation of the issues to be addressed in this proceeding.
- 10. RESA continues to evaluate the proposed merger. Due to the early stage of this proceeding, RESA reserves the right to raise and address issues identified through its continued review and analysis of the merger filing (and related information), or other issues raised by other parties.

WHEREFORE, RESA respectfully requests that the Commission grant its Petition to Intervene in this matter.

Respectfully submitted,

Daniel Clearfield, Esquire
Deanne M. O'Dell, Esq.
Carl R. Shultz, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Floor
P.O. Box 1248
Harrisburg, PA 17101
717.255.3744
Fax 717.237.6019
dclearfield@eckertseamans.com
dodell@eckertseamans.com
cshultz@eckertseamans.com

Attorneys for Retail Energy Supply Association

Date: June 14, 2010