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October 28, 2010

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

**VIA HAND DELIVERY**

**RE: Joint Application of West Penn Power Company doing business as 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:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") are the original and three (3) copies of the Statement of the Met-Ed Industrial Users Group ("MEIUG") and Penelec Industrial Customer Alliance ("PICA") (collectively, "MEIUG/PICA") in Support of the Joint Petition for Partial Settlement, in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp an extra copy of this transmittal letter and Statement, and kindly return it for our filing purposes. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By   
Carl J. Zwick

Counsel to the Met-Ed Industrial Users Group and  
Penelec Industrial Customer Alliance

CJZ/sds

Enclosures

- c: Administrative Law Judge Wayne L. Weismandel (via Hand Delivery and E-mail)
- Administrative Law Judge Mary D. Long (via First-Class Mail and E-mail)
- Certificate of Service

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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JOINT APPLICATION OF WEST PENN :  
POWER COMPANY doing business as :  
ALLEGHENY POWER, TRANS- :  
ALLEGHENY INTERSTATE LINE COMPANY :  
AND FIRSTENERGY CORP. FOR A :           Docket Nos. A-2010-2176520  
CERTIFICATE OF PUBLIC CONVENIENCE :                           A-2010-2176732  
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 :

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**STATEMENT OF THE  
MET-ED INDUSTRIAL USERS GROUP AND  
PENELEC INDUSTRIAL CUSTOMER ALLIANCE  
IN SUPPORT OF THE JOINT PETITION FOR PARTIAL SETTLEMENT**

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**I. BACKGROUND**

The Met-Ed Industrial Users Group ("MEIUG") and Penelec Industrial Customer Alliance ("PICA") (collectively, "MEIUG/PICA"), by and through their counsel, submit that the Joint Petition for Partial Settlement ("Joint Petition" or "Settlement") filed in the above-captioned proceeding with the Pennsylvania Public Utility Commission ("PUC" or "Commission") on October 25, 2010, reflects a settlement among the Joint Petitioners with respect to the Application filed by West Penn Power Company d/b/a Allegheny Power ("West Penn"), Trans-Allegheny Interstate Line Company ("TrAILCo"), and FirstEnergy Corp. ("FirstEnergy") (collectively, "Joint Applicants"), requesting that the control of West Penn and TrAILCo be transferred from Allegheny Energy, Inc. ("Allegheny Energy"), the parent company

of West Penn and TrAILCo, to FirstEnergy, via a merger of Allegheny Energy with Element Merger Sub., Inc. ("Merger Sub"), a wholly-owned subsidiary of FirstEnergy.

On June 14, 2010, MEIUG/PICA filed a Joint Petition to Intervene in the above-captioned proceeding. As noted in MEIUG/PICA's Petition, MEIUG/PICA members receive electric service from the Metropolitan Edison Company ("Met-Ed") and Pennsylvania Electric Company ("Penelec") and use substantial volumes of electricity in their manufacturing and operational processes. As a result, MEIUG/PICA members were concerned with the effects of the proposed merger on retail competition and retail markets in Pennsylvania, as well as the effects on transmission and distribution rates. Additionally, MEIUG/PICA were interested in the calculation of synergy savings created by the merger and the allocation of these savings among customers.

MEIUG/PICA submit that the Joint Petition addresses the aforementioned concerns, as well as provides additional benefits to all Met-Ed and Penelec customers. As such, MEIUG/PICA conclude that the Joint Petition is in the public interest. For reasons set forth in the Settlement, as well as those highlighted herein, MEIUG/PICA respectfully request that Administrative Law Judges ("ALJs") Wayne L. Weismandel and Mary D. Long and the Commission endorse the terms and conditions of the Joint Petition and approve the merger.

## **II. STATEMENT IN SUPPORT**

As a direct result of settlement discussions, the Joint Petitioners in this proceeding have agreed upon the terms embodied in the foregoing Joint Petition.

1. As a result of the Joint Petition, MEIUG/PICA members will benefit through the post-merger FirstEnergy's commitment to, among other things:

- a. Procure 40% of Met-Ed's and Penelec's solar requirements for the period 2011 through 2021 using long-term contracts and contract with credit-worthy industrial customers to purchase Solar Photovoltaic Alternative Energy Credits ("SPAECs") from those customers producing SPAECs within the Commonwealth of Pennsylvania; and
- b. Establish a joint technical committee to identify, discuss and address local power and service quality issues impacting industrial customers served by Met-Ed and Penelec and, specifically, service issues that can be addressed through technical, operational or equipment changes that can be made on equipment used directly in furnishing service to the impacted customer or on the customer's side of the interface.

2. The Joint Petition also benefits MEIUG/PICA members and is in the public interest because the post-merger FirstEnergy will:

- a. Increase in scale, scope and diversification;
- b. Increase its financial strength and flexibility;
- c. Experience enhanced expertise in competitive energy markets, energy technologies and regional issues;
- d. Maintain a commitment to employees and seek to enhance employee opportunities;
- e. Produce synergies, efficiencies and cost savings that will, at least in part, flow to ratepayers; and
- f. Benefit from strong leadership in local communities, including FirstEnergy's commitment, for a period of three years, to maintain at least Allegheny's

current levels of charitable support in local communities, and, thereafter, to continue to support local charities at levels consistent with FirstEnergy's commitments to other communities it serves.

3. In addition, the Settlement is in the public interest because the Joint Petitioners and Commission will incur less expenses than they otherwise would have if the proceeding had been fully litigated.

4. MEIUG/PICA hereby adopt the representations offered by the Joint Applicants with respect to the twelve questions posed by the PUC, as set forth in the Commission's June 3, 2010, Secretarial Letter.

**WHEREFORE**, the Met-Ed Industrial Users Group and Penelec Industrial Customer Alliance respectfully request that Administrative Law Judges Weisman and Long and the Pennsylvania Public Utility Commission approve the foregoing Joint Petition for Settlement.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: October 28, 2010

## 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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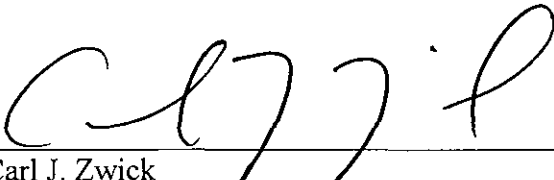
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Dated this 28<sup>th</sup> day of October, 2010, at Harrisburg, Pennsylvania.