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VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

***Re: Pennsylvania Power Company – General Base Rate Filing
Docket No. R-2014-2428744***

Dear Secretary Chiavetta:

INTRODUCTION AND CONTENTS OF THE FILING

Pursuant to Section 1308 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1308, enclosed for filing on behalf of Pennsylvania Power Company (“Penn Power” or the “Company”) is Penn Power’s Tariff Electric – Pa. P.U.C. No. 36 (“Tariff No. 36”), which has been marked for identification as Penn Power Company Exhibit No. 1. Tariff No. 36 sets forth proposed rates designed to produce an increase in the Company’s annual distribution revenue of \$28.5 million based on data for a fully projected future test year ending April 30, 2016. Tariff No. 36 also contains revisions in, additions to, and deletions from, certain Rules and Regulations, rate schedules and riders in the Company’s currently effective tariff. Tariff No. 36 bears an issue date of August 4, 2014, and an effective date of October 3, 2014.

Along with Tariff No. 36, the Company is filing all the supporting data required by the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) regulations at 52 Pa. Code §§ 53.52 – 53.53, including the written direct testimony of ten witnesses, who are identified in Penn Power Exhibit No. CVF-2. A summary of the reasons for the proposed rate increase is set forth in the Company’s Statement of Reasons, which is marked for identification as Penn Power Exhibit No. CVF-1.

The Company is filing one complete hard copy and one electronic copy, on the enclosed CD, of its entire filing. An index cross-referencing the contents of the Company’s supporting data and the Commission’s filing requirements is attached as Appendix A to this transmittal letter.

TEST YEAR – WAIVER OF THE “120-DAY” RULE

As the Commission is aware, on June 24, 2014, Penn Power requested permission to depart from the provision of 52 Pa. Code § 53.52(b)(2) limiting to 120 days the period between the end of a historic test year and the date on which an increase in base rates under Section 1308(d) of the Pennsylvania Public Utility Code (66 Pa.C.S. § 1308(d)) may be filed reflecting that historic test year. By letter dated June 30, 2014, the Commission granted the Company permission to file for a general base rate increase on or before August 14, 2014, employing a historic test year ended March 31, 2014. Accordingly, the Company is submitting supporting data for a historic test year ended on that date, a future test year ending March 31, 2015, and, as previously noted, a fully projected future test year ending April 30, 2016. In support of its proposed increase in distribution revenues, the Company is relying principally on data for the fully projected future test year.

USE OF ALTERNATIVE METHOD OF CUSTOMER NOTIFICATION

Penn Power hereby advises the Commission that it has elected to use the alternative method of customer notification set forth in the Commission’s regulations at 52 Pa. Code § 53.45(b)(4). Consequently, as required by that regulation, Penn Power will notify its customers of the proposed rate increase through bill inserts along with paid advertisements in major local newspapers.¹ Penn Power also agrees to extend from 60 to 90 days the minimum period within which the filing of a complaint places the burden of proof upon the Company with respect to proposed rates, pursuant to 52 Pa. Code § 53.45(b)(4)(vi).

REQUEST FOR CONSOLIDATION

This filing is being made contemporaneously with general rate increase filings by Penn Power’s Pennsylvania affiliates at the docket numbers identified below:

Pennsylvania Electric Company (“Penelec”)	R-2014-2428743
Metropolitan Edison Company (“Met-Ed”)	R-2014-2428745
West Penn Power Company (“West Penn”)	R-2014-2428742

Pursuant to 52 Pa. Code § 5.81, Penn Power, by this transmittal letter, and Penelec, Met-Ed and West Penn, in their respective transmittal letters, request that proceedings initiated with regard to their rate filings be formally consolidated by the Commission at the earliest possible opportunity. There is a fundamental commonality to virtually all of the components of the Companies’ revenue requirements, rate designs and changes in various tariff provisions. Consequently, proceedings initiated by the Commission will involve a substantial number of common questions of law and fact. The resources of the Commission and all parties would be used most efficiently and cost effectively, and administrative economy would be advanced, by formally consolidating the proceedings initiated with respect to all of the Companies’ rate filings.

¹ In addition, Penn Power is posting notice of this filing at its Company headquarters pursuant to 52 Pa. Code § 53.45(b)(1), posting the filing to its website, and issuing a news release describing the proposed changes to local newspapers, radio and television stations pursuant to 52 Pa. Code § 53.45(b)(2).

**REQUEST FOR CONFIDENTIAL TREATMENT
OF PROPRIETARY INFORMATION**

Penn Power Exhibit No. RAD-40 contains information that Penn Power considers to be proprietary and confidential. These pages have been marked *Highly Confidential*, are enclosed in separate envelopes and have not been included in the electronic version of the filing.

Penn Power requests that the copies of the material that have been marked *Highly Confidential* and are contained in the envelopes similarly marked *Highly Confidential* be treated confidentially by the Commission, including its various Offices and Bureaus. In particular, the Company requests that the *Highly Confidential* material be excluded from the Commission's public document folder and not otherwise be disclosed to the public. Penn Power intends to request the entry of an appropriate Protective Order from the presiding Administrative Law Judge(s) to maintain the confidentiality of such material if it is to be provided to parties in this case.

COUNSEL OF RECORD AND SERVICE ON THE COMPANY

Penn Power will be represented by the following counsel in this proceeding:

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Penn Power's attorneys are authorized to accept service on behalf of the Company in this proceeding. Penn Power requests that the Commission and all parties serve copies of all documents in this proceeding on its attorneys.

CERTIFICATE OF SERVICE

As indicated on the attached Certificate of Service, the Company has served copies of this filing on the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, Pennsylvania State University, and industrial customer

groups. The Company is also providing courtesy copies of the filing to the Commission's Law Bureau, Office of Special Assistants, and Bureau of Technical Utility Services.

Respectfully submitted,



Tori L. Giesler

Enclosures

- c: Certificate of Service (w/encls.)
- Robert F. Powelson, Chairman (w/encls.)
- John F. Coleman, Jr., Vice Chairman (w/encls.)
- James H. Cawley, Commissioner (w/encls.)
- Pamela A. Witmer, Commissioner (w/encls.)
- Gladys M. Brown, Commissioner (w/encls.)
- Bohdan R. Pankiw, Chief Counsel (w/encls.)
- Cheryl Walker Davis, Director (w/encls.)
- Paul T. Diskin, Director (w/encls.)