



THOMAS, NIESEN & THOMAS, LLC

*Attorneys and Counsellors at Law*

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September 30, 2014

*Via Electronic Filing*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, PA 17105-3265

In Re: Docket No. R-2014-2428743  
Pa. P.U.C. v. Pennsylvania Electric Company

Dear Secretary Chiavetta:

We are counsel to the Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc. and are submitting via electronic filing their Petition to Intervene in the above referenced rate proceeding. Copies of the Petition to Intervene are being served upon the persons and in the manner set forth on the certificate of service attached to it.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By

Thomas T. Niesen

Enclosure

cc: Certificate of Service (w/encl.)  
David J. Dulick, Esq. (w/encl.)



Company (“West Penn”) at Docket No. R-2014-2428742 and Pennsylvania Power Company at Docket No. R-2014-2428744.<sup>1</sup>

2. PREA is a trade association representing 13 Pennsylvania rural electric distribution cooperatives<sup>2</sup> that distribute electricity to approximately 630,000 consumers in the Commonwealth of Pennsylvania. AEC is a generation and transmission electric cooperative located in Pennsylvania.

PREA/AEC's address is as follows:

Pennsylvania Rural Electric Association  
Allegheny Electric Cooperative, Inc.  
212 Locust Street  
P.O. Box 1266  
Harrisburg, PA 17108-1266

3. The names and addresses of PREA/AEC's attorneys who are authorized to receive service on its behalf are:

David J. Dulick, Esquire  
General Counsel  
PA ID 27842  
Pennsylvania Rural Electric Association  
Allegheny Electric Cooperative, Inc.  
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<sup>1</sup> Met-Ed, Penelec and West Penn are hereinafter sometimes referred to, collectively, as the “FirstEnergy Affiliates.” In their letters transmitting the general rate filings to the Commission, the FirstEnergy Affiliates asked that the Commission formally consolidate the general rate filings.

<sup>2</sup> There are 13 Pennsylvania member distribution cooperatives of PREA: Adams Electric Cooperative, Inc., Bedford Rural Electric Cooperative, Inc., Central Electric Cooperative, Inc., Claverack Rural Electric Cooperative, Inc., New Enterprise Rural Electric Cooperative, Inc., Northwestern Rural Electric Cooperative Association, Inc., Somerset Rural Electric Cooperative, Inc., REA Energy Cooperative, Inc., Sullivan County Rural Electric Cooperative, Inc., Tri-County Rural Electric Cooperative, Inc., United Electric Cooperative, Inc., Valley Rural Electric Cooperative, Inc. and Warren Electric Cooperative, Inc. Allegheny Electric Cooperative, Inc. is also a member of PREA. Sussex Rural Electric Cooperative, Inc., a New Jersey rural electric distribution cooperative, is also a member of PREA.

## THE INTERESTS OF PREA/AEC IN THIS PROCEEDING

4. PREA/AEC's interests in the proceeding are as follows:
  - a. PREA member cooperatives are retail customers of one or the other of the FirstEnergy Affiliates. PREA's members take retail service from the FirstEnergy Affiliates at approximately 18 locations, including 14 locations in the Penelec service territory. As a MetEd/Penelec/West Penn ratepayer, PREA has an indisputable interest in the FirstEnergy Affiliates' general rate filings.
  - b. PREA member cooperatives and AEC also rely on the facilities of the FirstEnergy Affiliates to deliver energy to them at approximately 211 delivery points, including 173 delivery points in the Penelec service territory, which they in turn distribute to approximately 630,000 consumers in 41 of the 67 Counties in the Commonwealth of Pennsylvania.<sup>3</sup> The vast majority of these same facilities also serve retail customers of the FirstEnergy Affiliates. Reliable service from these facilities is a material consideration in this proceeding. Section 526 of the Public Utility Code provides that the Commission may reject, in whole or in part, a utility's request to increase its rates when the service rendered by the public utility is inadequate.
  - c. PREA/AEC has been a participant in prior FirstEnergy proceedings where reliability of service has been addressed. Most recently, when FirstEnergy acquired West Penn in 2011, the Commission approved settlement terms at Docket No. A-2010-2176520 and A-2010-2176732 addressing the reliability concerns of PREA, its member cooperatives and AEC, which extended a Joint Planning Process ("JPP") for five (5) years with an investment level of \$4 million

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<sup>3</sup> The member cooperatives purchase their energy from AEC. AEC uses the facilities of the FirstEnergy Affiliates to deliver energy to the member cooperatives.

for 2013 through 2018.<sup>4</sup> The settlement terms approved by the Commission provided further that if the Interruption Duration Index (“IDI”) and Interruption Frequency Index (“IFI”) standards of at least 85% are achieved for all PREA delivery points, the annual investment level will be reduced to \$3 million. Allegheny has an interest and a concern with the FirstEnergy Affiliates continuing efforts to meet the agreed-upon IDI and IFI standards for service to PREA delivery points.

d. The Electricity Generation Customer Choice and Competition Act establishes reliability as a statewide priority and charges the Commission with the affirmative obligation to assure the continued reliability and integrity of electric distribution service. PREA member retail consumers are citizens of the Commonwealth and are entitled to this protection.

### **GROUNDS FOR INTERVENTION**

5. PREA/AEC’s grounds for intervention are found in the Public Utility Code, particularly Chapter 13 – Rates and Ratemaking and Chapter 15 – Service and Facilities. As retail customers and an active participant in proceedings addressing the adequacy of the FirstEnergy Affiliates’ service, PREA/AEC has standing and grounds to intervene in this proceeding.

6. Continued reliability and reliable service by the FirstEnergy Affiliates are paramount concerns of PREA/AEC, including the assurance that adequate financial resources are expended to assure reliable service throughout the FirstEnergy Affiliates’ service territories, including those facilities serving PREA/AEC.

### **PREA/AEC’S POSITION**

7. PREA/AEC will fully participate in this proceeding through discovery, presentation of evidence, cross examination and briefing. No other participant represents the interests of

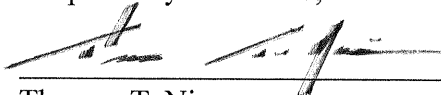
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<sup>4</sup> The JPP was originally created as part of the resolution of the Met-Ed and Penelec restructuring proceedings at Docket Nos. R-00974008 and R-00974009 and subsequently amended in resolution of Commission proceedings at Docket No. I-00040102, P-00042115 and R-00061366.

PREA/AEC, its member cooperatives and the approximately 630,000 consumers of the Commonwealth that the member cooperatives represent. PREA/AEC will address reliability of service, the FirstEnergy Affiliates compliance with the JPP delivery service standards and revenue allowance particularly as it relates to reliability of service. A more detailed presentation of the position of PREA/AEC is not possible at this initial stage of the proceeding.

WHEREFORE Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc. request that the Pennsylvania Public Utility Commission grant this Petition to Intervene.

Respectfully submitted,



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Charles E. Thomas, III  
Thomas, Niesen & Thomas, LLC  
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David J. Dulick  
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212 Locust Street  
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Harrisburg, PA 17108-1266

Attorneys for  
Pennsylvania Rural Electric Association  
Allegheny Electric Cooperative, Inc.

DATED: September 30, 2014

## VERIFICATION

I, Todd A. Sallade, Vice President – Power Supply & Engineering, Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc., hereby state that the facts set forth in the foregoing Petition to Intervene are true and correct to the best of my knowledge, information and belief and that I expect the said Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc. to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).



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Todd A. Sallade  
Vice President - Power Supply & Engineering  
Pennsylvania Rural Electric Association  
Allegheny Electric Cooperative, Inc.

**Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission** : **Docket No. R-2014-2428743**  
:   
v. :   
:   
**Pennsylvania Electric Company** :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 30<sup>th</sup> day of September, 2014, served a true and correct copy of the foregoing Petition to Intervene of Pennsylvania Rural Electric Association and Allegheny Electric Cooperative Inc., upon the persons and in the manner set forth below:

**FIRST CLASS MAIL, POSTAGE PREPAID**

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
Suite 202, Commerce Building  
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