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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-2014-2428742
Pa. P.U.C. v. West Penn Power 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.)

**Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket No. R-2014-2428742
	:	
v.	:	
	:	
West Penn Power Company	:	

**PETITION TO INTERVENE OF
PENNSYLVANIA RURAL ELECTRIC ASSOCIATION AND
ALLEGHENY ELECTRIC COOPERATIVE, INC.**

AND NOW, come Pennsylvania Rural Electric Association, individually and on behalf of its 13 member cooperatives located in Pennsylvania, (hereinafter sometimes referred to collectively as “PREA”) and Allegheny Electric Cooperative, Inc. (hereinafter referred to as “AEC”) (PREA and AEC are sometimes referred to, collectively, as “PREA/AEC”), by their attorneys, and, pursuant to 52 Pa. Code §5.71, *et seq.*, file this Petition to Intervene in the above-captioned rate proceeding. In support thereof, PREA/AEC submits as follows:

BACKGROUND

1. On or about August 4, 2014, West Penn Power Company (“West Penn” or “Company”) submitted a general rate filing to the Pennsylvania Public Utility Commission (“Commission”) which would increase the Company’s annual revenue by \$115.5 million. Contemporaneous general rate filings were also filed by West Penn’s Pennsylvania affiliates Metropolitan Edison Company (“Met-Ed”) at Docket No. R-2014-2428745, Pennsylvania Electric

Company ("Penelec") at Docket No. R-2014-2428743 and Pennsylvania Power Company at Docket No. R-2014-2428744.¹

2. PREA is a trade association representing 13 Pennsylvania rural electric distribution cooperatives² 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:

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¹ 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.

² 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 one location in the West Penn 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 19 delivery points in the West Penn service territory, which they in turn distribute to approximately 630,000 consumers in 41 of the 67 Counties in the Commonwealth of Pennsylvania.³ 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 these proceedings. 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

³ 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 2018.⁴ 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 these proceedings.

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

⁴ 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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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).



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-2014-2428742**
:
: **v.** :
:
: **West Penn Power Company** :
:

CERTIFICATE OF SERVICE

I hereby certify that I have this 30th 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

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Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Office of Small Business Advocate
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Thomas T. Niesen
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