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Attorneys and Counsellors at Law

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October 6, 2014

Via Electronic Filing

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

Re: Docket Nos. R-2014-2428742, R-2014-2428743, R-2014-2428744 and R-2014-2428745
Pa. P.U.C. v. West Penn Power Company, Pennsylvania Electric Company, Pennsylvania
Power Company and Metropolitan Edison Company

Dear Secretary Chiavetta:

We are counsel to the Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc. in the above matters and are submitting via electronic filing their Prehearing Conference Memorandum. Copies of the Prehearing Conference Memorandum 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 Number**
: **R-2014-2428742**
v. :
:
West Penn Power Company :

Pennsylvania Public Utility Commission : **Docket Number**
: **R-2014-2428743**
v. :
:
Pennsylvania Electric Company :

Pennsylvania Public Utility Commission : **Docket Number**
: **R-2014-2428744**
v. :
:
Pennsylvania Power Company :

Pennsylvania Public Utility Commission : **Docket Number**
: **R-2014-2428745**
v. :
:
Metropolitan Edison Company :

**PREHEARING CONFERENCE MEMORANDUM OF
THE PENNSYLVANIA RURAL ELECTRIC ASSOCIATION AND
ALLEGHENY ELECTRIC COOPERATIVE, INC.**

AND NOW come the Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc. (collectively "PREA/AEC"), by their attorneys, and submit this memorandum in connection with the prehearing conference to be held in the above captioned matters on October 8, 2014.

INTRODUCTION

These proceedings concern general rate tariff filings of the West Penn Power Company, Pennsylvania Electric Company, Pennsylvania Power Company and Metropolitan Edison Company submitted to the Public Utility Commission (“Commission”) on August 4, 2014. On September 30, 2014, PREA/AEC filed petitions to intervene in the West Penn Power, Penelec and MetEd proceedings.

At its Public Meeting on October 2, 2014, the Commission acted to allow the tariff filings to be suspended by operation of law and instituted an investigation into the lawfulness, justness and reasonableness of the Companies’ existing and proposed rates, rules and regulations.

The investigations were assigned to Administrative Law Judge Dennis J. Buckley, and a prehearing conference was scheduled for October 8, 2014. Judge Buckley issued a First Prehearing Order on September 30, 2014, which directed, *inter alia*, the filing of prehearing memoranda by October 6, 2014 addressing several agenda items.

PREA/AEC COUNSEL AND EMAIL SERVICE

The name, business address, and contact information of counsel for PREA/AEC are:

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PREA/AEC agrees to accept electronic service of documents, but asks that electronic service be followed by regular mail service of a paper copy to counsel addressed as set forth above.

PROPOSED ORDERS WITH RESPECT TO DISCOVERY

PREA/AEC is aware that other parties have served discovery and will cooperate in the

creation of a proposed plan and schedule of discovery.

A PROPOSED LITIGATION SCHEDULE

The presiding officer presented a proposed schedule for the submission of testimony, hearings and briefs in the prehearing order. PREA/AEC will cooperate with the presiding officer and the other parties to finalize the schedule.

WITNESS

PREA/AEC expects to call one witness to address reliability of service, the Companies' compliance with the delivery service standards established in the Joint Planning Process¹ and revenue allowance particularly as it relates to reliability of service. PREA/AEC, as yet, has not determined the identity of its witness. When determined, PREA/AEC will provide the name, business address and telephone number of the witness to the presiding officer and the parties.

ISSUES

Continued reliability and reliable service by the Companies are paramount issues and concerns of PREA/AEC. PREA member cooperatives and AEC rely on the facilities of the Companies to deliver energy to them at approximately 211 delivery points, which they in turn distribute to approximately 630,000 consumers in 41 of the 67 Counties in the Commonwealth of Pennsylvania. The vast majority of these same facilities also serve retail customers of the Companies. 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. PREA/AEC's position is that the Companies' service must be reliable and

¹ PREA/AEC presented a brief history of the Joint Planning Process in their petitions to intervene. The Joint Planning Process or "JPP" was originally created as part of the resolution of the Met-Ed and Penelec restructuring proceedings at R-00974008 and R-00974009 and subsequently amended in resolution of Commission proceedings at I-00040102, P-00042115 and R-00061366. Most recently, the JPP was addressed at A-2010-2176520 and A-2010-2176732 when FirstEnergy acquired West Penn in 2011. There, the Commission approved settlement terms addressing the reliability concerns of PREA, its member cooperatives and AEC, which extended the JPP for five (5) years through 2018.

adequate and that they must expend adequate financial resources to assure reliable service throughout their service territories, including those facilities serving PREA/AEC.

EVIDENCE

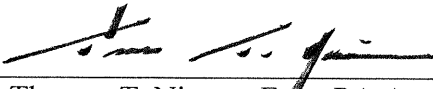
PREA/AEC proposes to present evidence addressing reliability of service, the Companies' compliance with the JPP, including compliance with delivery service standards, and revenue allowance particularly as it relates to reliability of service.

PROTECTIVE ORDER

The Companies have distributed a proposed protective order. PREA/AEC will cooperate in its finalization.

Respectfully submitted,

PENNSLVANIA RURAL ELECTRIC ASSOCIATION
ALLEGHENY ELECTRIC COOPERATIVE, INC.

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Date: October 6, 2014

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Pennsylvania Public Utility Commission	:	Docket Number
	:	R-2014-2428744
v.	:	
	:	
Pennsylvania Power Company	:	
Pennsylvania Public Utility Commission	:	Docket Number
	:	R-2014-2428745
v.	:	
	:	
Metropolitan Edison Company	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this 6th day of October 2014 serviced a true and correct copy of the Prehearing Conference Memorandum of the Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc. upon the persons below as follows:

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