

BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
36 EAST SEVENTH STREET
SUITE 1510
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255
TELECOPIER (513) 421-2764

VIA E-FILING

October 6, 2014

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

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

Dear Secretary Chiavetta:

Please find attached the PREHEARING MEMORANDUM OF AK STEEL CORPORATION for filing in the above-captioned proceeding.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place this document of file.

Respectfully submitted,



David F. Boehm, Esq. (PA Attorney I.D. # 72752)
BOEHM, KURTZ & LOWRY


COUNSEL FOR AK STEEL CORPORATION

DFBkew

cc: ALJ Dennis J. Buckley (via e-mail and Regular U.S. Mail)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of October, 2014 I served a true and correct copy of the PREHEARING MEMORANDUM OF AK STEEL CORPORATION on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code §1.54.



David F. Boehm, Esq. (PA Attorney I.D. # 72752)
COUNSEL FOR AK STEEL CORPORATION

VIA ELECTRONIC MAIL AND FIRST CLASS MAIL

Tori L. Giesler
Lauren M. Lepkoski
FirstEnergy Service Company
2800 Pottsville Pike
Reading, P A 19612
tgiesler@firstenergy.com
llepkoski@firstenergy.com

Thomas P. Gadsden
Anthony C. DeCusatis
Catherine G. Vasudevan
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, P A 19103-2921
tgadsden@morganlewis.com
adecusatis@morganlewis.com
cvasudevan@morganlewis.com

Aron J. Beatty
Darryl A. Lawrence
Kristine E. Robinson
Brandon J. Pierce
Lauren M. Burge
Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Form Place
Harrisburg, P A 17101-1923
abeatty@paoca.org
dlawrence@paoca.org
krobinson@paoca.org
bpierce@paoca.org
lburge@paoca.org

John R. Evans
Daniel G. Asmus
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101
jorevan@pa.gov
dasmus@pa.gov

Allison C. Kaster
Johnnie E. Simms,
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120
akaster@pa.gov
josimms@pa.gov

Thomas J. Sniscak
Hawke, McKeon & Sniscak LLP
P.O. Box 1778
100 North Tenth Street
Harrisburg, PA 17105-1778
tjsniscak@hmslegal.com

Scott J Rubin
Utility Workers Union Of America System Local 102
c/o Law Office Of Scott J Rubin
333 Oak Lane
Bloomsburg, Pa 17815
scott.j.rubin@gmail.com

Bradley A Bingaman
West Penn Power Company
76 South Main Street
Akron, OH 44308-1890
bbingaman@firstenergycorp.com

Charis Mincavage
Susan E. Bruce
Vasiliki Karandrikas
Teresa K. Schmittberger
Elizabeth P. Trinkle
McNees, Wallace & Nurick, LLC
100 Pine Street, P.O. Box 1166
Harrisburg, PA 17108-1166
cmincavage@mwn.com
sbruce@mwn.com
vkandrikas@mwn.com
tschmittberger@mwn.com

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING MEMORANDUM OF
THE AK STEEL CORPORATION**

Pursuant to Administrative Law Judge ("ALJ") Dennis J. Buckley's September 30, 2014, First Prehearing Order, the AK Steel Corporation ("AK Steel") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On August 4, 2014, West Penn Power Company ("West Penn" or "Company") filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") Tariff Electric – Pa. PUC No. 40, and Supplements thereto, proposed to become effective on October 3, 2014. Through this filing, West Penn requested a distribution rate increase of \$115.5 million and a proposed Return on Equity ("ROE") of 10.9%. In addition, West Penn proposed significant changes to the rate design for Schedule 46 customers, including, among other things, a modified demand charge, customer charge, reactive billing demand charge, and minimum charge. These changes proposed an increase in rates to Schedule 46 customer's distribution rates of 80%. Moreover, West Penn also proposed a number of changes to its riders which could increase rates to Schedule 46 customers over base rates.

On September 15, 2014, AK Steel filed a Complaint to West Penn's filing. A description of AK Steel is set forth in Paragraph 5 of the Complaint.

A Prehearing Conference has been scheduled in this proceeding for October 8, 2014.

II. SERVICE LIST

For purposes of service in the above-captioned proceeding, please direct all communications to:

David F. Boehm, Esq. (PA Attorney I.D. # 72752)
BOEHM, KURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
Ph: (513) 421-2255 Fax: (513) 421.2764
dboehm@BKLawfirm.com

III. ANTICIPATED ISSUES AND SUB-ISSUES

AK Steel's preliminary review of West Penn's filing indicates the need for Commission investigation into at least the following issues:

- a. whether the size of West Penn's requested rate increase is appropriate;
- b. whether the expenses claimed by West Penn were prudently incurred;
- c. whether the allocation of the proposed distribution rate increase between and among West Penn's customer classes is just, reasonable, and non-discriminatory;
- d. whether West Penn's proposed rate structure and rate design is appropriate;
- e. whether the 10.9% ROE proposed by West Penn results in a fair rate of return;
- f. whether West Penn's claimed cost-of-service is accurate, legitimate, and appropriately allocated;
- g. whether implementation of the proposed changes to West Penn's rules and riders is appropriate and lawful; and
- h. whether West Penn's proposed tariff changes result in unjust and unreasonable service for customers.

AK Steel anticipates pursuing these issues during this proceeding and also reserves the right to raise further issues and to respond to all matters raised by other parties.

IV. PROPOSED WITNESSES

AK Steel expects to sponsor testimony regarding the aforementioned issues by the following witnesses:

Stephen J. Baron
Richard A. Baudino
J. Kennedy & Associates
570 Colonial Park Drive, Suite 305
Roswell, GA 30075
Ph: (770) 992-2027 Fax: (770) 992-0806
sbaron@jkenn.com
rbaudino@jkenn.com

AK Steel reserves the right to modify or supplement this witness list during the course of this proceeding. In the event that AK Steel decides to modify or supplement the witness list, it will inform the parties and the ALJ as soon as possible of the intended witnesses. AK Steel also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

AK Steel will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ. However, the schedule tentatively put forward by West Penn does not leave sufficient time for the drafting of Intervenor and Complainant testimony.

VI. STATEMENT OF EVIDENCE

AK Steel's witnesses plan to submit Direct Testimony, as well as Rebuttal and Surrebuttal Testimony, as necessary, in addition to providing evidence, in the form of cross-examination and exhibits, at the Hearing related to the issues and sub-issues as mentioned above.

VII. PROTECTIVE ORDER

AK Steel will cooperate with the ALJ and the parties at the Prehearing Conference to develop a protective order in accordance with the Commission's regulations and any directives issued by the ALJ.

VIII. POSSIBILITY OF SETTLEMENT

AK Steel is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,



David F. Boehm, Esq. (PA Attorney I.D. # 72752)

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October 6, 2014

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