

Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
Tel. +1.215.963.5000  
Fax: +1.215.963.5001  
www.morganlewis.com

**Anthony C. DeCusatis**  
Of Counsel  
+1.215.963.5034  
adecusatis@morganlewis.com

December 4, 2015

**VIA eFILING**

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

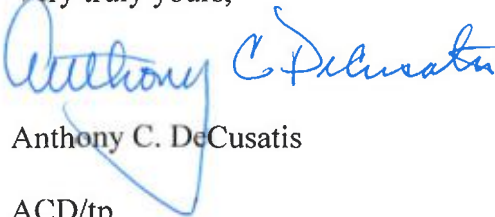
**Re: Petition of Metropolitan Edison Company for Approval  
of Its Long-Term Infrastructure Improvement Plan  
Docket No. P-2015-2508942**

---

Dear Secretary Chiavetta:

Enclosed for filing in the above-captioned matter are the **Reply Comments on behalf of Metropolitan Edison Company to the November 18, 2015 Comments of the Office of Consumer Advocate** ("Reply Comments"). A copy of the Reply Comments will be distributed to those indicated on the enclosed Certificate of Service.

Very truly yours,



Anthony C. DeCusatis

ACD/tp  
Enclosures

c: Paul T. Diskin, TUS (w/encls.)  
Bohdan R. Pankiw, Law Bureau (w/encls.)  
Per Certificate of Service (w/encls.)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF METROPOLITAN  
EDISON COMPANY FOR APPROVAL  
OF ITS LONG-TERM  
INFRASTRUCTURE IMPROVEMENT  
PLAN** : **Docket No. P-2015-2508942**  
:  
:  
:  
:

**PETITION OF PENNSYLVANIA  
ELECTRIC COMPANY FOR  
APPROVAL OF ITS LONG-TERM  
INFRASTRUCTURE IMPROVEMENT  
PLAN** : **Docket No. P-2015-2508936**  
:  
:  
:  
:

**PETITION OF PENNSYLVANIA  
POWER COMPANY FOR APPROVAL  
OF ITS LONG-TERM  
INFRASTRUCTURE IMPROVEMENT  
PLAN** : **Docket No. P-2015-2508931**  
:  
:  
:  
:

**PETITION OF WEST PENN POWER  
COMPANY FOR APPROVAL OF ITS  
LONG-TERM INFRASTRUCTURE  
IMPROVEMENT PLAN** : **Docket No. P-2015-2508948**  
:  
:  
:

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served a copy of the **Reply Comments** on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company to the November 18, 2015 Comments of the Office of Consumer Advocate on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

**VIA ELECTRONIC MAIL & FIRST CLASS MAIL**

Johnnie E. Simms  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[josimms@pa.gov](mailto:josimms@pa.gov)

Daniel G. Asmus  
Office of Small Business Advocate  
Commerce Tower, Suite 202  
300 North Second Street  
Harrisburg, PA 17101  
[dasmus@pa.gov](mailto:dasmus@pa.gov)

Charis Mincavage  
Vasiliki Karandrikas  
Teresa K. Schmittberger  
Elizabeth Trinkle  
McNees Wallace & Nurick LLC  
P.O. Box 1166  
100 Pine Street  
Harrisburg, PA 17108-1166  
[cmincavage@mwn.com](mailto:cmincavage@mwn.com)  
[vkandrikas@mwn.com](mailto:vkandrikas@mwn.com)  
[tschmittberger@mwn.com](mailto:tschmittberger@mwn.com)  
[etrinkle@mwn.com](mailto:etrinkle@mwn.com)  
*Counsel for Met-Ed Industrial Users Group,  
Penelec Industrial Customer Alliance and  
West Penn Power Industrial Intervenors*

David J. Dulick  
General Counsel  
Pennsylvania Rural Electric Association  
Allegheny Electric Cooperative, Inc.  
212 Locust Street  
P.O. Box 1266  
Harrisburg, PA 17108-1266  
[david\\_dulick@prea.com](mailto:david_dulick@prea.com)

Thomas T. Niesen  
Thomas, Niesen & Thomas, LLC  
212 Locust Street, Suite 600  
Harrisburg, PA 17101  
[tniesen@tntlawfirm.com](mailto:tniesen@tntlawfirm.com)  
*Counsel for Pennsylvania Rural Electric  
Association and Allegheny Electric  
Cooperative, Inc.*

Donald R. Wagner  
Linda R. Evers  
Michael A. Gruin  
Stevens & Lee  
111 North Sixth Street  
Reading, PA 19601  
[drw@stevenslee.com](mailto:drw@stevenslee.com)  
[lre@stevenslee.com](mailto:lre@stevenslee.com)  
[mag@stevenslee.com](mailto:mag@stevenslee.com)  
*Counsel for Wal-Mart Stores East LP  
and Sam's East, Inc.*

Erin L. Gannon  
Darryl Lawrence  
Office of Consumer Advocate  
555 Walnut Street  
Fifth Floor, Florum Place  
Harrisburg, PA 17101-1923  
[egannon@paoca.org](mailto:egannon@paoca.org)  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)

Thomas J. Sniscak  
William E. Lehman  
Hawke, McKeon & Sniscak LLP  
P.O. Box 1778  
100 North Tenth Street  
Harrisburg, PA 17105-1778  
[tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)  
[welehman@hmslegal.com](mailto:welehman@hmslegal.com)  
*Counsel for Pennsylvania State University*

Charles E. Thomas, III  
Thomas, Niesen & Thomas, LLC  
212 Locust Street, Suite 600  
Harrisburg, PA 17108-9500  
[cet3@tntlawfirm.com](mailto:cet3@tntlawfirm.com)  
*Counsel for Noble Americas Energy  
Solutions LLC*

Michael Panfil  
John Finnigan  
Environmental Defense Fund  
1875 Connecticut Avenue, N.W.  
Washington, DC 20009  
[mpanfil@edf.org](mailto:mpanfil@edf.org)  
[jfinnigan@edf.org](mailto:jfinnigan@edf.org)

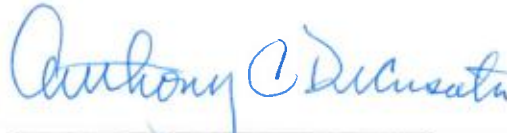
Heather M. Langeland  
200 First Avenue, Suite 200  
Pittsburgh, PA 15222  
[langeland@pennfuture.org](mailto:langeland@pennfuture.org)  
*Counsel for PennFuture*

Harry S. Geller  
Elizabeth R. Marx  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101-1414  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)  
*Counsel for CAUSE-PA*

Scott J. Rubin  
Law Office of Scott J. Rubin  
333 Oak Lane  
Bloomburg, PA 17815-2036  
[scott.rubin@gmail.com](mailto:scott.rubin@gmail.com)  
*Counsel for International Brotherhood  
of Electrical Workers Local 777*

David F. Boehm  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202  
[dboehm@bkllawfirm.com](mailto:dboehm@bkllawfirm.com)  
*Counsel for AK Steel Corp.*

Respectfully submitted,



---

John L. Munsch  
(PA Attorney I.D. No. 31489)  
Metropolitan Edison Company  
800 Cabin Hill Drive  
Greensburg, PA 15601  
(724) 838-6210

Anthony C. DeCusatis  
(PA Attorney I.D. No. 25700)  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
(215) 963-5034

*Attorneys for  
Metropolitan Edison Company,  
Pennsylvania Electric Company,  
Pennsylvania Power Company and  
West Penn Power Company*

Dated: December 4, 2015

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of Metropolitan Edison Company** :  
**For Approval of its Long-Term** : **Docket No. P-2015-2508942**  
**Infrastructure Improvement Plan** :

**Petition of Pennsylvania Electric Company** :  
**For Approval of its Long-Term** : **Docket No. P-2015-2508936**  
**Infrastructure Improvement Plan** :

**Petition of Pennsylvania Power Company** :  
**For Approval of its Long-Term** : **Docket No. P-2015-2508931**  
**Infrastructure Improvement Plan** :

**Petition of West Penn Power Company For** :  
**Approval of its Long-Term Infrastructure** : **Docket No. P-2015-2508948**  
**Improvement Plan** :

---

**Reply Comments of Metropolitan Edison Company, Pennsylvania Electric Company,  
Pennsylvania Power Company and West Penn Power Company to the Comments  
Submitted by the Office of Consumer Advocate**

---

On October 19, 2015, pursuant to Section 1352 of the Pennsylvania Public Utility Code (“Code”),<sup>1</sup> 52 Pa. Code §§ 121.1 *et seq.*, and the Pennsylvania Public Utility Commission’s (the “Commission”) final order in *Implementation of Act 11 of 2012*<sup>2</sup>, Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn”) (each a “Company” and collectively the “Companies”) each filed a petition for approval of a Long-Term Infrastructure Improvement Plan (“LTIIP”). On November 18, 2015, the Office of Consumer Advocate (“OCA”) filed comments in response to each of the four petitions (collectively, the “Comments”). The Companies hereby jointly reply to the Comments submitted by the OCA.

---

<sup>1</sup> 66 Pa.C.S. § 1352.

<sup>2</sup> *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611 (Final Order entered August 2, 2012).

## I. REPLY COMMENTS

In its Comments, the OCA asserts that it is “necessary” that each LTIIIP represent “acceleration beyond [each Company’s] existing commitments”, and urges the Commission to compare the plans described in each LTIIIP against various settlement provisions from the Companies’ most recent base rate proceeding and the Allegheny/FirstEnergy Merger proceeding.<sup>3</sup>

The OCA’s position that an LTIIIP must accelerate the pace of a utility’s infrastructure improvements beyond any of its existing commitments is not supported by applicable provisions of the Code, the Commission’s regulations or previous Commission orders approving LTIIIPs. Section 1352(a)(6) of the Code provides that an LTIIIP must include information about: “The manner in which the replacement of aging infrastructure will be accelerated and how the repair, improvement or replacement will ensure and maintain adequate, efficient, safe, reliable and reasonable service.” The statute does not prohibit the inclusion of repair and replacement activities in a utility’s LTIIIP that reflect existing commitments. In fact, the Commission’s regulations recognize that acceleration of repair and replacement activities may have preceded the filing of an LTIIIP and, therefore, the Commission reviews each LTIIIP to determine whether it “[s]pecifies the manner in which it accelerates *or maintains an accelerated rate of* infrastructure repair, improvement or replacement.” *See* 52 Pa. Code § 121.4(e)(2)(emphasis added).

The Commission has already considered and approved an LTIIIP where the pace of certain repair and replacement activities in the LTIIIP matched commitments made in an earlier settlement. On February 19, 2013, the Commission approved a settlement with several UGI

---

<sup>3</sup> *See, e.g.*, OCA Comments to Met-Ed LTIIIP, pp. 6-7; OCA Comments to Penelec LTIIIP, pp. 6-7; OCA Comments to Penn Power LTIIIP, pp. 6-7; OCA Comments to West Penn LTIIIP, pp. 7-8.

companies, including UGI Utilities, Inc. – Gas Division (“UGI Utilities”), concerning a fatal natural gas explosion. Under the terms of the settlement, UGI Utilities had to repair or replace all in-service cast iron mains within 14 years and could continue the pace of its on-going 30-year bare steel main replacement program.<sup>4</sup> On December 12, 2013, UGI Utilities filed a petition seeking approval of an LTIIP which, consistent with the settlement, included plans to replace its cast iron mains within 14 years and its bare steel mains within 30 years.<sup>5</sup> The Commission approved the LTIIP finding, among other things, that UGI Utilities was “clearly planning to accelerate its infrastructure replacement over the timeframe of the LTIIP...”<sup>6</sup>

For all these reasons, the Companies believe that the Commission should reject OCA’s assertion that an LTIIP must accelerate the pace of a utility’s infrastructure improvements beyond any of its existing commitments. Each Company further believes that its proposed LTIIP reflects the acceleration of infrastructure repair and replacement activities that is required by the Code and the Commission’s regulations.

---

<sup>4</sup> See *Petition of UGI Utilities, Inc. for Approval of its Long-Term Infrastructure Improvement Plan*, Docket No. P-2013-2398833 (Order entered July 31, 2014) (summarizing the settlement at Docket No. C-2012-2308997), p. 2.

<sup>5</sup> *Id.* at 6.

<sup>6</sup> *Id.* at 17. Moreover, the Order clearly anticipates that UGI Utilities’ LTIIP investments would be “eligible” property for purposes of the Distribution System Improvement Charge (“DSIC”) and that UGI Utilities could begin to recover the capital costs of that property after the April 2015 threshold date to which UGI Utilities had previously agreed in its prior settlement of the investigation of the gas explosion on its system. *Id.* at 2.

## II. CONCLUSION

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company appreciate the opportunity to provide these Reply Comments.

Respectfully submitted,



---

John L. Munsch  
(PA Attorney I.D. No. 31489)  
Metropolitan Edison Company  
800 Cabin Hill Drive  
Greensburg, PA 15601  
(724) 838-6210

Anthony C. DeCusatis  
(PA Attorney I.D. No. 25700)  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
(215) 963-5034

*Attorneys for  
Metropolitan Edison Company,  
Pennsylvania Electric Company,  
Pennsylvania Power Company and  
West Penn Power Company*

Dated: December 4, 2015

DB1/ 85492882.2