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December 4, 2015

**VIA eFILING**

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

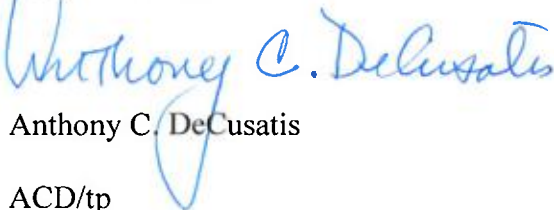
**Re: Petition of Pennsylvania Power Company for Approval  
of Its Long-Term Infrastructure Improvement Plan  
Docket No. P-2015-2508931**

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Dear Secretary Chiavetta:

Enclosed for filing in the above-captioned matter are the **Reply Comments on behalf of Pennsylvania Power 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  
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**PETITION OF PENNSYLVANIA  
ELECTRIC COMPANY FOR  
APPROVAL OF ITS LONG-TERM  
INFRASTRUCTURE IMPROVEMENT  
PLAN** : Docket No. P-2015-2508936  
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**PETITION OF PENNSYLVANIA  
POWER COMPANY FOR APPROVAL  
OF ITS LONG-TERM  
INFRASTRUCTURE IMPROVEMENT  
PLAN** : Docket No. P-2015-2508931  
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**PETITION OF WEST PENN POWER  
COMPANY FOR APPROVAL OF ITS  
LONG-TERM INFRASTRUCTURE  
IMPROVEMENT PLAN** : Docket No. P-2015-2508948  
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**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:

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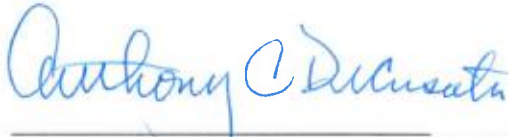
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Respectfully submitted,



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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** :

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**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**

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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.

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<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 LTIIPs. 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

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<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 LTIP 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 LTIP finding, among other things, that UGI Utilities was “clearly planning to accelerate its infrastructure replacement over the timeframe of the LTIP...”<sup>6</sup>

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

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<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’ LTIP 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,



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