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March 24, 2016

VIA eFILING

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

**Re: Petition of Pennsylvania Electric Company for Approval To Establish and Implement A Distribution System Improvement Charge
Docket No. P-2015-2508936**

Dear Secretary Chiavetta:

Enclosed for filing is the **Answer of Pennsylvania Electric Company to the Joint Petition to Intervene of Citizens for Pennsylvania's Future and the Environmental Defense Fund** (the "Answer") in the above-captioned matter.

As evidenced by the enclosed Certificate of Service, copies of the Answer have been served on all parties to this proceeding.

Very truly yours,



Anthony C. DeCusatis

ACD/ap
Enclosures

c: Per Certificate of Service (w/encls.)

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF PENNSYLVANIA :
ELECTRIC COMPANY FOR :
APPROVAL TO ESTABLISH AND : **Docket No. P-2015-2508936**
IMPLEMENT A DISTRIBUTION :
SYSTEM IMPROVEMENT CHARGE :

**ANSWER OF PENNSYLVANIA ELECTRIC COMPANY
TO THE JOINT PETITION TO INTERVENE OF CITIZENS FOR
PENNSYLVANIA’S FUTURE AND THE ENVIRONMENTAL DEFENSE FUND**

NOW COMES, the Respondent, Pennsylvania Electric Company (“Penelec” or the “Company”), pursuant to 52 Pa. Code § 5.66, and answers the Joint Petition to Intervene filed by Citizens for Pennsylvania’s Future (“PennFuture”) and the Environmental Defense Fund (“EDF”) (collectively, the “Joint Petitioners”)¹ as follows:

1. Admitted in part, and denied in part. The Company lacks knowledge or information sufficient to form a belief as to the truth of the averment that “PennFuture has members that reside and use energy in the Company’s service territory.” Accordingly, that averment is denied and proof thereof requested at a hearing, if any, in this matter. The remaining averments of Paragraph No. 1 of the Petition are admitted.

2. Admitted in part, and denied in part. The Company lacks knowledge or information sufficient to form a belief as to the truth of the averment that “EDF has over 16,000 members living in Pennsylvania, and over 350,000 members nationwide, including members who are the Company’s customers.” Accordingly, that averment is denied and proof thereof

¹ On March 11, 2016, the Joint Petitioners also filed an Answer to the Petition Of Pennsylvania Electric Company For Approval To Establish And Implement A Distribution System Improvement Charge after the time permitted for filing such an Answer. The Joint Petitioners’ Answer contains New Matter, to which the Company is filing a Reply. The Company’s filing of a Reply to the New Matter in the Joint Petitioners’ Answer is not intended to, nor does it, constitute a waiver of the Company’s opposition to the Joint Petitioners’ attempt to intervene in this proceeding.

requested at a hearing, if any, in this matter. The remaining averments of Paragraph No. 2 of the Petition are admitted.

3. Admitted.

4. Admitted.

5. Admitted in part, and denied in part. It is denied that Joint Petitioners' alleged "interest" in "ensuring that the Company plans to maximize cost-effective, clean energy" provides a valid basis for the Joint Petitioners to intervene in this proceeding. In further answer, it is denied that an electric distribution company ("EDC") must demonstrate that it is maximizing "cost-effective, clean energy" as a condition for the Commission to approve its proposed Distribution System Improvement Charge ("DSIC"). The remaining averment of Paragraph No. 5 is admitted.

6. Denied. It is denied that Joint Petitioners have a "right" to participate in this proceeding to promote the interests of their organizations in promoting "clean" energy. The scope of this proceeding is limited to determining whether the Company's proposed DSIC conforms to the Model Tariff adopted by the Commission in its Final Order on the implementation of Act 11 of 2012² and is consistent with the other applicable terms of that Order.

7. Denied. It is denied that "grid modernization, integrated Volt/VAR control and environmental impacts of distribution system improvements" are "issues in this proceeding." To the contrary, the scope of this proceeding is limited to determining whether the Company's proposed DSIC conforms to the Commission's Model Tariff and the applicable terms of the *Final Implementation Order*, as explained in the answer to Paragraph No. 6, *supra*. As a

² *Implementation of Act 11 of 2012 – Final Implementation Order*, Docket No. M-2012-2293611 (August 2, 2012) (hereafter "*Final Implementation Order*").

consequence, the Joint Petitioners' alleged "interests in and perspectives on" the issues they are attempting to interject into this proceeding are not relevant to any aspect of this proceeding and do not constitute a valid basis for the Joint Petitioners to be granted intervention. Moreover, permitting the Joint Petitioners to intervene in this case in order to interject issues that are outside its scope contradicts the Commission's guidance that, once a utility's long-term infrastructure improvement plan ("LTIIIP") has been approved, the only remaining issues are narrowly focused on cost recovery. The Commission made this point clearly in its *Final Implementation Order*, where it stated as follows:

Finally, we recommend that utilities . . . file their respective long-term infrastructure improvement plans in advance of filing a DSIC petition. If the LTIIIP is, upon review, approved by the Commission, *this can reduce the scope of issues in the DSIC petition* and expedite the process of getting this new rate mechanism in place.³

As the Commission is aware, it previously approved the Company's LTIIIP by its Order entered February 11, 2016.⁴ Consequently, issues pertaining to the Company's LTIIIP, including the nature of the property it encompasses, have already been decided and are not subject to collateral attack by the Joint Petitioners in this proceeding.

8. Denied. For the reasons set forth in Paragraph Nos. 7 and 8, above, which are incorporated herein by reference, the Joint Petitioners' purported interest relates solely to their attempt to interject issues that are outside the scope of this proceeding. Accordingly, the Joint Petitioners cannot meet the applicable criteria of Section 5.72 (a) of the Commission's

³ *Id.*, p. 21 (emphasis added).

⁴ *Petition of Pennsylvania Electric Company for Approval of its Long-Term Infrastructure Improvement Plan*, Docket No. P-2015-2508936 (Feb. 11, 2016).

regulations, 52 Pa. Code § 5.72(a), for the Commission to grant intervention.⁵ In fact, for the reasons set forth in Paragraph No. 7, above, granting intervention to the Joint Petitioners would contravene the Commission’s prior directives and would be inconsistent with the public interest in efficiently and expeditiously completing this proceeding in accordance with clearly articulated limitations on its scope set forth in the *Final Implementation Order*.

9. Denied. The Joint Petitioners are not entitled to intervene in this proceeding for the reasons set forth above and, therefore, they are not entitled to “reserve” a right that they do not have.

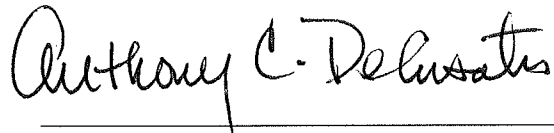
10. Admitted.

11. Denied. The Joint Petitioners do not satisfy the criteria for intervention in this proceeding and, therefore, their Joint Petition should be denied.

⁵ The Joint Petitioners cannot satisfy the requirements of 52 Pa. Code § 5.72(a) by merely asserting that they “intend to review and analyze the Petition as it pertains to rates within the Company’s service territories.” The true basis for their intervention was stated with specificity in Paragraph Nos. 6 and 7 of the Joint Petition and, as explained above, it does not satisfy the requirements of 52 Pa. Code § 5.72(a). Furthermore, other parties (i.e. the Office of Consumer Advocate and the Office of Small Business Advocate) have intervened for the express purpose of assessing the issues properly presented by the Company’s Petition. Those parties have participated in the DSIC proceedings of a number of other utilities and, as a result, have a full understanding of the issues that are within the scope of such cases. Consequently, the Joint Petitioners cannot credibly assert that, as to the relevant issues of whether the Company’s DSIC conforms to the Model Tariff and is consistent with the applicable terms of the *Final Implementation Order*, they have an “interest . . . which is not adequately represented by existing participants.”

WHEREFORE, for the foregoing reasons, Pennsylvania Electric Company denies that PennFuture and EDF should be permitted to intervene in this proceeding and, therefore, the Commission should deny their Joint Petition.

Respectfully submitted,



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*Attorneys for Pennsylvania Electric
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Dated: March 24, 2016

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF METROPOLITAN EDISON COMPANY FOR APPROVAL TO ESTABLISH AND IMPLEMENT A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	:	Docket No. P-2015-2508942
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PETITION OF PENNSYLVANIA ELECTRIC COMPANY FOR APPROVAL TO ESTABLISH AND IMPLEMENT A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	:	Docket No. P-2015-2508936
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PETITION OF PENNSYLVANIA POWER COMPANY FOR APPROVAL TO ESTABLISH AND IMPLEMENT A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	:	Docket No. P-2015-2508931
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PETITION OF WEST PENN POWER COMPANY FOR APPROVAL TO ESTABLISH AND IMPLEMENT A DISTRIBUTION SYSTEM IMPROVEMENT CHARGE	:	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 **Answer to the Joint Petition to Intervene of Citizens for Pennsylvania’s Future and the Environmental Defense Fund** on the following persons in the manner specified in accordance with the requirements of 52

Pa. Code § 1.54:

VIA ELECTRONIC MAIL & FIRST CLASS MAIL

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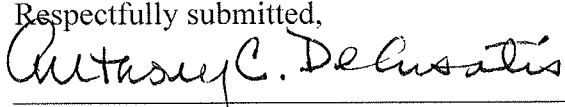
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