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File #: 166570

February 11, 2019

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Application of Transource Pennsylvania, LLC Filed Pursuant to 52 Pa. Code Chapter 57, Subchapter G, for Approval of the Siting and Construction of the 230 kV Transmission Line Associated with the Independence Energy Connection - East and West Projects in Portions of Franklin and York Counties, Pennsylvania Docket No. A-2017-2640195 & A-2017-2640200

Petitions of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Rice Substation in Franklin County, Pennsylvania and the Furnace Run Substation in York County, Pennsylvania are reasonably necessary for the convenience or welfare of the public Docket Nos. P-2018-3001878 & P-2018-3001883

Application of Transource Pennsylvania, LLC for approval to acquire a certain portion of the lands of various landowners in York and Franklin Counties, Pennsylvania for the siting and construction of the 230 kV Transmission Lines associated with the Independence Energy Connection - East and West Projects as necessary or proper for the service, accommodation, convenience or safety of the public - Docket Nos. A-2018-3001881, et al.

Dear Secretary Chiavetta:

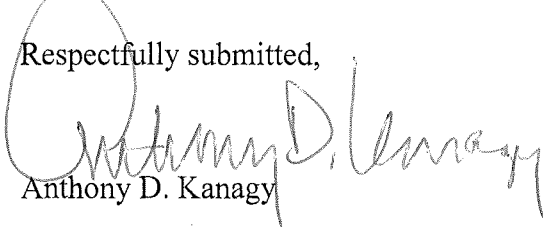
Enclosed for filing is the Brief of Transource Pennsylvania, LLC in Support of Petition for Interlocutory Review and Answer to a Material Question in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Rosemary Chiavetta, Secretary

February 11, 2019

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Respectfully submitted,

A handwritten signature in cursive script that reads "Anthony D. Kanagy". The signature is written in dark ink and is positioned above the printed name.

Anthony D. Kanagy

ADK/jl

Enclosures

cc: Honorable Elizabeth Barnes
Honorable Andrew M. Calvelli
Honorable Gladys M. Brown (*via Hand Delivery*)
Honorable David W. Sweet (*via Hand Delivery*)
Honorable Norman J. Kennard (*via Hand Delivery*)
Honorable Andrew G. Place (*via Hand Delivery*)
Honorable John F. Coleman, Jr. (*via Hand Delivery*)
Bohdan Pankiw, Esquire
Certificate of Service

CERTIFICATE OF SERVICE
Docket Nos. A-2017-2640195 & A-2017-2640200, et al.

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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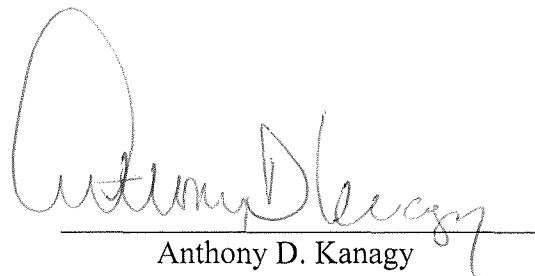
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Date: February 11, 2019



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Transource Pennsylvania, LLC	:	
for approval of the Siting and Construction of	:	Docket No. A-2017-2640195
the 230 kV Transmission Lines Associated	:	Docket No. A-2017-2640200
with the Independence Energy Connection –	:	
East and West Projects in portions of Franklin	:	
and York Counties, Pennsylvania	:	
	:	
Petitions of Transource Pennsylvania, LLC for	:	
a finding that a building to shelter control	:	Docket No. P-2018-3001878
equipment at the Rice Substation in Franklin	:	Docket No. P-2018-3001883
County, Pennsylvania and the Furnace Run	:	
Substation in York County, Pennsylvania is	:	
reasonably necessary for the convenience or	:	
welfare of the public	:	
	:	
Application of Transource Pennsylvania, LLC	:	
for approval to acquire a certain portion of the	:	Docket No. A-2018-3001881, <i>et al.</i>
lands of various landowners in York and	:	
Franklin Counties, Pennsylvania	:	

**BRIEF OF TRANSOURCE PENNSYLVANIA, LLC
IN SUPPORT OF PETITION FOR INTERLOCUTORY
REVIEW AND ANSWER TO A MATERIAL QUESTION**

Transource Pennsylvania, LLC (“Transource PA or the “Company”) hereby files this Brief in Support of its Petition for Interlocutory Review and Answer to a Material Question (“Petition”), pursuant to the Regulations of the Pennsylvania Public Utility Commission (“Commission”) at 52 Pa. Code § 5.302. The Petition requests that the Commission answer the material questions in the affirmative and reverse Administrative Law Judges Elizabeth H. Barnes’s and Andrew Calvelli’s (the “ALJs”) Sixth and Seventh Prehearing Orders (collectively referred to as “Orders”) striking Transource PA’s rebuttal testimony regarding the proposed transmission line’s reliability benefits.

The Orders are based on serious and egregious factual and legal errors, are directly contrary to the plain language of 332(c) of the Public Utility Code, are contrary to long-standing Commission precedent and fundamental due process, would effectively prevent this Commission from exercising its statutory responsibility to decide this case based on a full, complete and up to date record, and therefore must be immediately overturned. The Orders strike Transource PA's rebuttal testimony regarding reliability violations based on the unsupported and false conclusion that this information could have and should have been set forth in Transource PA's direct testimony, despite the following facts:

- Transource PA expressly stated in its Siting Application and Direct Testimony filed on December 27, 2017 that this market efficiency Project would provide ancillary reliability benefits.
- The specific reliability violations discussed in Transource PA's rebuttal testimony filed on November 27, 2018, did not exist when Transource PA filed its Applications and Direct Testimony.
- In fact, the specific reliability violations were first identified in the September 2018 TEAC evaluation performed by PJM and all parties were aware of this update.
- Transource PA advised the parties that PJM would update its evaluation of the Project and the ALJs affirmatively encouraged Transource PA to address these updates in rebuttal and advised the parties that they could respond in surrebuttal. See Fourth Prehearing Order issued on July 30, 2018, page 13.
- Other parties have argued in their direct testimony filed on September 25, 2018, that the Project does not provide reliability benefits. For example, OCA argued that the Project does not provide reliability benefits despite being fully aware of PJM's findings on September 13, 2018 that the Project would resolve specific reliability violations and despite citing to the very same documents PJM presented at the TEAC.
- The Orders preclude Transource PA from responding to other parties' false testimony that the Project does not provide reliability benefits and prevent Transource PA from providing to the Commission the most up to date and relevant analysis of the need for this project. The Orders therefore directly violate Section 332(c) of the Public Utility Code which requires that parties be permitted to provide rebuttal evidence as required for a full and true disclosure of the facts and would deny Transource due process of law.

- The Orders are patently inconsistent and fundamentally because biased they allow other parties to rely on certain information from PJM's September 13 TEAC update but selectively strike relevant reliability benefit information from the same documents independently prepared by PJM.
- The Commission has always evaluated transmission line siting applications with all of the most up-to-date information. The Orders therefore are completely at odds with all relevant Commission precedent.
- The proper course of action in this proceeding is to admit the evidence, allow other parties to respond by surrebuttal testimony, cross-examination and brief. The ALJs and the Commission can then determine whether the evidence should have been admitted, what weight, if any, to give the disputed evidence, and the case can be decided on a full and complete record. The ALJs take the exact opposite approach and would prevent the Commission from considering the disputed evidence and any response that may be made by other parties.

An immediate answer to the material questions is necessary to avoid undue delay and substantial prejudice that could not be cured during the normal Commission review process. Hearings are currently scheduled for February 21 – March 1, 2019. Transource PA requests that those hearings not be stayed. Transource PA further requests that upon granting the Company's Petition, a separate evidentiary hearing be scheduled by March 31, 2019 for the limited purpose of addressing the reliability issues, along with any other updates which may occur as a result of the ongoing PJM planning process. Transource PA requests that other parties have an opportunity to present surrebuttal testimony limited to the reliability issues and other updates, if any, at least one week prior to the hearing and that Transource PA be permitted to respond at the hearing. For the reasons that follow, the Petition should be granted.

I. BACKGROUND

Over one year ago, on December 27, 2017, Transource PA filed two Applications requesting approval of the siting and construction of the 230 kV Transmission Lines associated with the Independence Energy Connection Project in Portions of York and Franklin Counties,

Pennsylvania (collectively, the “IEC Project”). Along with the Siting Applications, Transource PA filed supporting direct testimony.

The IEC Project was approved by the PJM Interconnection, L.L.C. (“PJM”) Board in August 2016 following the Transmission Expansion Advisory Committee (“TEAC”) and stakeholder review of the Project. The IEC Project was approved by PJM to alleviate transmission congestion constraints in Pennsylvania, Maryland, West Virginia, and Virginia. Transource PA explained in its Applications and direct testimony that the primary benefits of the IEC Project relate to market efficiency and the reduction of congestion costs but that the IEC Project would also provide ancillary reliability benefits. Application ¶ 19; Transource PA St. No. 2, pp. 11-12. The Company also explained in its direct testimony that PJM periodically reevaluates market efficiency projects for “substantive changes in the costs and/or benefits of the project” and further explained that market efficiency models are updated on a 24-month cycle. Transource PA St. No. 3, pp. 11, 17, 23.

On July 9, 2018, a Second Prehearing Conference was held, during which Transource PA specifically advised the ALJs and the parties that PJM was conducting a reevaluation of the Project. The ALJs issued a Fourth Prehearing Conference Order on July 30, 2018. The ALJs encouraged Transource PA to provide updated information in the Rebuttal testimony and allowed other parties to respond in surrebuttal.

The results of PJM’s re-evaluation of the Project were presented at the September 13, 2018 TEAC meeting. The September 2018 reevaluation date confirmed that the Project was still needed under PJM’s market efficiency analysis and also determined that the Project would now resolve specific reliability violations that did not exist when the Project was first evaluated. Transource PA St. No. 7-R, pp. 16-18.

On September 25, 2018, other parties, except STFC, submitted their direct testimony. Of note, OCA's direct testimony included extensive references to PJM's September 2018 reevaluation, including a reference to the September 2018 TEAC presentation. Despite being aware of the reliability issues identified in the September 2018 TEAC update (and citing to it), the OCA argued in its testimony that the Project provides no reliability benefits.

Transource PA submitted its rebuttal testimony on November 27, 2018. The items in the Company's rebuttal testimony responded to the direct testimony provided by other parties and the extensive testimony presented at the public input hearings, including allegations from the OCA and individuals who testified at the public input hearings that the proposed Project is not needed because it does not address reliability violations. *See, e.g.*, OCA St. No. 1, pp. 6, 18, 19, 35, 44; OCA St. No. 2, pp. 12, 13; Tr. at pp. 425, 391 1955, 1967, 1959-60. The OCA's testimony completely ignored the PJM update which showed that the Project resolved five separate reliability violations. The Company's rebuttal testimony appropriately responded to OCA's factually incorrect averments. The Company's right to respond in rebuttal testimony is expressly authorized by statute. 66 Pa. C.S. § 332(c).

On December 7, 2018, the OCA filed a Motion to Amend the Procedural Schedule. On December 10, 2018, Citizens to Stop Transource, York County and Maple Lawn Farms, Inc. filed a Motion to Amend the Procedural Schedule. On December 13, 2018, STFC filed a Motion to Amend the Procedural schedule and/or Strike Certain Testimony.

On December 31, 2018, the ALJs issued a Sixth Prehearing Order, which granted intervenors an additional fourteen days to submit surrebuttal testimony and extended the rejoinder deadline to February 11, 2019. The Order also granted in part and denied in part

STFC's Motion to Strike the Company's rebuttal testimony to the extent the rebuttal testimony introduced information that should have been presented in direct testimony.

On January 10, 2019, STFC filed a Motion to designate specific portions of Transource PA's rebuttal testimony as stricken pursuant to the Sixth Prehearing Order. On January 17, 2019, Transource PA filed an Answer to STFC's Motion ("January 17, 2019 Answer").

On January 24, 2019, the ALJs issued a Seventh Prehearing Order striking the Company's rebuttal testimony regarding the IEC Project's reliability benefits "to avoid trial by ambush" and because these "new reliability issues should have been set forth in the siting applications and direct testimonies of Transource PA." Seventh Prehearing Order, p. 2.

On February 1, 2019, Transource PA filed a Petition for Interlocutory Review and Answer to Material Questions requesting that the Commission reverse the ALJs' Seventh Prehearing Order striking Transource PA's rebuttal testimony regarding the Project's reliability benefits. Transource PA now files this brief in support of its Petition.

II. STATEMENT OF MATERIAL QUESTIONS

- A. Whether the ALJs erred by striking Transource PA's rebuttal testimony regarding the Project's reliability benefits, thereby violating 66 Pa. C.S. § 332(c) and denying Transource PA due process of law.

Suggested answer in the affirmative.

- B. Whether the ALJs' error unreasonably prevents the development of a full and complete record and denies the PUC access to the most recent available information in determining the need for this transmission line Project.

Suggested answer in the affirmative.

III. LEGAL STANDARD

Section 5.302 of the Commission's regulations allows a party to seek interlocutory review and answer to a material question which has arisen or is likely to arise when interlocutory review will prevent substantial prejudice or expedite the conduct of the proceeding. 52 Pa. Code

§ 5.302. The pertinent consideration is whether any error and prejudice resulting therefrom could not be satisfactorily cured during the normal Commission review process. *See In re: Knights Limousine Service, Inc.*, 59 Pa. P.U.C. 538 (1985).

IV. ARGUMENT

A. The Orders incorrectly conclude that Transource PA's rebuttal testimony regarding reliability violations presents a "new claim" that is outside the scope of its direct case.

The Orders improperly strike Transource PA's rebuttal testimony regarding reliability violations on the basis that it is outside the scope of direct and doing so is necessary to prevent "trial by ambush" and surprise claims. Seventh Prehearing Order, p. 2. This is a serious and egregious error. The fact that the Project has reliability benefits is not a "new claim" and cannot be viewed as a "surprise." Transource PA explained in its Applications and direct testimony that, while the primary purpose of the Project is market efficiency, the Project would also have ancillary reliability benefits. Transource PA has not changed this position from its direct case. The Project continues to be a market efficiency Project with ancillary reliability benefits.

Transource PA discussed reliability benefits in its Application at Paragraph 19 and in the direct testimony of Witness Ali. Specifically, witness Ali explained in direct testimony:

Although the primary benefits from the IEC Project relate to market efficiency and the reduction of congestion costs, the new transmission facilities associated with the IEC Project will also enhance the electrical strength and reliability of the transmission system by virtue of the new transmission facilities in the area that will be part of the interconnected transmission grid. The IEC Project will provide additional and alternative paths for electricity in the event of outages on other Pennsylvania transmission facilities. The IEC Project will also allow the interconnection of future reliability, generation, and load projects in the area.

Transource PA Statement No. 2, pp. 11-12.

Also in Transource PA's direct testimony filed with the Applications, the Company explained that PJM undertakes an annual planning process. Transource PA St. No. 3, p. 11.

This means that over the timeline of the procedural schedule in this proceeding, there can be, and has been, updated information become available as a result of PJM's annual planning process. The Company explained in direct testimony that the annual PJM planning process considers 5 items: reliability, market efficiency, operational performance, meeting public policy requirements and addressing long-term congestion hedging deficiencies. Transource PA St. No. 3, p. 11. The Company further stated that market efficiency projects are reviewed periodically (nominally on an annual basis) regarding "substantive changes in the costs and/or benefits of the project." Transource PA St. No. 3, p. 23. Thus, the PJM planning process covers all aspects of the Project, including reliability, and other parties were aware of the fact that there would be ongoing analysis of the Project and updates to address system changes throughout the course of the proceeding.

Transource PA did not change the scope of its direct case in its rebuttal testimony. Transource PA did not change the proposed route, did not change the proposed facilities and did not make any material change to the scope of its case. This case is still a market efficiency case that has been approved by PJM. In its rebuttal, Transource PA merely provided an update to the benefits of the project as determined independently by PJM. The updated benefits include the fact that the Project will resolve 5 specific reliability violations that did not exist when Transource PA filed its Applications and Direct Testimony on December 27, 2017.

Although the specific reliability violations were not known at the time the Company submitted its direct testimony, parties have been aware since the Company filed its Applications that the Project will provide reliability benefits and that PJM would reevaluate the Project throughout the course of this proceeding. Other parties were also aware that the Project's market efficiency and reliability benefits would be among the items considered in PJM's reevaluation.

Transource PA specifically notified parties at the Second Prehearing Conference on July 9, 2018 that the September 2018 reevaluation was forthcoming. The Seventh Prehearing Order commits egregious factual error by striking the Company's rebuttal testimony regarding reliability violations on the basis that it is outside the scope of direct. Seventh Prehearing Order, p. 2.

B. The Orders improperly deny Transource PA the opportunity to present updated information regarding the Project's benefits, which could not have been presented in direct testimony because the specific reliability violations did not exist.

The Orders incorrectly strike Transource PA's rebuttal testimony regarding reliability benefits on the basis that the information should have been presented in the Company's direct case. Seventh Prehearing Order, p. 2. This analysis is fundamentally flawed because it completely ignores the fact that the specific reliability violations did not exist when the Application was filed. In Appendix B to its Answer to the STFC Motion, Transource PA provide an Affidavit from Mr. Steven R. Herling, PJM's Vice President of Planning, stating that reliability violation issues were evaluated in the 2016 analysis, but none existed at that time. However, in the September 2018 updated evaluation, due to increased power flows, the reliability evaluation identified specific reliability violations that will be resolved by the Project. The Seventh Prehearing Order commits a fatal error by failing to address, and in fact completely ignoring, this critical issue.

Moreover, it is entirely proper for parties to update their case throughout the course of the proceeding. As explained in Transource PA's January 17, 2019 Answer, this practice is common in transmission line siting proceedings before the Commission. For example, in *the Susquehanna-Roseland Siting Application* at Docket No. A-2009-2082652, the Company provided an updated reliability analysis with a new category of reliability violations in its rebuttal testimony, the results of which were revealed after the Company served its direct

testimony. In the *NE Pocono Siting Application*, Docket No. A-2012-2340872, the applicant updated the results of its analysis regarding the number and timing of reliability violations in its rebuttal testimony and presented a new cost estimate at the hearing.

In this case, Transource PA did not provide additional details regarding specific reliability violations when it filed its direct testimony because, although it was clear that the Project would have reliability benefits, the specific reliability violations that Project 9A will solve did not exist at that time.

The updated information regarding specific reliability violations cannot be excluded from the record simply because transmission grid conditions have changed since the Company submitted its direct testimony over a year ago, and the information was not available at that time. These reliability violations *did not exist* when Project 9A was evaluated in 2016 and *did not exist* when Transource PA filed its direct testimony on December 27, 2017. Thus, it is entirely proper for Transource PA to present the results of PJM's updated analysis in its rebuttal testimony, especially given that other parties were aware in advance that the reevaluation would occur.

The Orders also commit egregious error because parties are relying on other aspects of the September 2018 TEAC documents, but the Orders selectively strike information regarding reliability benefits from those documents. The Orders go so far as to strike the reliability violation information that was presented in PJM's independently prepared Whitepaper that is publically available to everyone on PJM's website. Selectively striking information from PJM's independently prepared documents distorts the record and cannot be accepted.

The Commission has always evaluated transmission line siting applications based upon the most up-to-date information. That is good public policy, and there is no reason to change that policy in this proceeding. If parties were not permitted to present updated information for

the record when it is available, decisions would be based on outdated information that does not reflect current system conditions. Taken to the extreme, the policy applied by the ALJs in the Seventh Prehearing Order would mean that parties could not update costs, market changes, or any other information pertinent to whether a project should be approved. This is poor public policy. ALJs and the Commission should have access to the most up-to-date information available when evaluating the merits of proposed projects.

C. The Orders violate 66 Pa. C.S. § 332(c) by depriving Transource PA of the opportunity to present relevant rebuttal testimony that is necessary for a complete and accurate record.

The Orders violate Section 332(c) of the Public Utility Code by striking testimony that is necessary for a full and accurate factual record. Pursuant to Section 332(c) of the Public Utility Code, "Every party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence and to conduct such cross-examination as may be required for a full and true disclosure of the facts." 66 Pa. C.S. § 332(c). The Orders violate Section 332(c) in two ways by: (1) prohibiting Transource PA from submitting rebuttal testimony regarding the Project's reliability benefits, even though other parties have alleged that the Project will not resolve any reliability violations. (*See, e.g.,* OCA St. No. 2, p. 12, lines 3-4) and (2) prohibiting a full and true disclosure of the facts.

For example, in its Direct Testimony, OCA stated as follows:

The transmission system reinforcements included in the IEC Project are not required to address any NERC violations and must, therefore, be justified on the basis of economics.

OCA St. No. 2, p. 12, lines 3-4.

OCA makes this statement despite a full awareness of the updated PJM TEAC regarding reliability issues which OCA cites to on page 21 of OCA Statement No. 1. Transource PA's

testimony regarding the specific NERC reliability violations that will be resolved by the Project directly rebuts OCA's false and incorrect statements. The ALJs' Orders disallowing this rebuttal violate the statute by disallowing relevant rebuttal evidence that is required for a full and true disclosure of the facts.

Other parties have relied on updated cost/benefit information from the September 2018 reevaluation in support of their position. To exclude the full results of PJMs' reevaluation (in particular, the Project's ability to resolve reliability violations) simply because they are not favorable to certain parties' positions is unjust and would result in a skewed and incomplete record upon which the Commission is to base its decision. Parties should not be able to include for the record updated information pertaining to the reevaluations when it is favorable to their position, but at the same time choose to exclude updated information that may not support their position. It is only fair that the Commission consider all of the evidence that is available when making a decision regarding the proposed Project and not just the evidence that supports the position of certain parties. If the ALJs' error were not corrected, the resulting record upon which the Commission must base its decision would be incomplete and inaccurate. The evidence regarding reliability violations should be considered and given its appropriate weight.

D. The Orders violate Transource PA's due process rights by denying the Company of its right to respond to arguments raised by other parties.

In addition to violating Section 332(c) of the Public Utility Code, the Order also violated Transource PA's due process rights. Due process requires that a party be afforded a fair opportunity to respond to adverse claims. *Smith v. Pa. P.U.C.*, 162 A.2d 80, 83 (Pa. Super. Ct. 1960). "The Commission . . . is bound by the due process provisions of constitutional law and by the principles of common fairness. (citation omitted) Among the requirements of due process are notice and an opportunity to be heard on the issues, to be apprised of the evidence submitted,

... and to offer evidence in explanation or rebuttal.” *Smith*, 162 A.2d at 83. The Commission has described this as a "fundamental right." *Hartnett v. Bell Atlantic-Pennsylvania, Inc.*, 1994 Pa. PUC LEXIS 57, at *5 (Oct. 19, 1994) (citations omitted). The Orders violate Transource PA’s due process rights by denying Transource PA an opportunity to respond to the claims made by other parties in their direct case.

E. No prejudice to other parties would result from allowing Transource PA to present rebuttal testimony regarding reliability benefits.

The Orders take the extreme position of striking Transource PA’s rebuttal testimony as opposed to simply ensuring that all parties have a full and fair opportunity to respond. No prejudice would result to other parties from allowing Transource PA to present rebuttal testimony regarding reliability benefits because other parties have had an adequate opportunity to review the updated information, conduct discovery, and prepare any responsive arguments. Parties have had over four months to conduct discovery on the updated information, which was made publically available in September 2018.

The proper course of action in this proceeding is to admit the evidence, allow other parties to respond by surrebuttal testimony, cross-examination and brief. The ALJs and the Commission can then determine whether the evidence should have been admitted, what weight, if any, to give the disputed evidence, and the case can be decided on a full and complete record. The ALJs take the exact opposite approach and would prevent the Commission from considering the disputed evidence and any response that may be made by other parties.

Importantly, the scope of the Project has not changed since the Company filed its Applications. Parties were on notice since the inception of this case that updated information would be presented throughout the course of the proceeding. Transource PA specifically notified other parties of the forthcoming September 2018 reevaluation approximately two months prior to

the reevaluation taking place. See Fourth Prehearing Order, p. 13. Thus, other parties were clearly aware that updated information regarding benefits, including reliability benefits, could be presented following PJM's September 2018 reevaluation and have had adequate time to conduct discovery on the update and prepare a response. No prejudice would result to other parties from allowing Transource PA to present rebuttal testimony regarding the Project's reliability benefits.

F. Substantial prejudice, which could not be cured by the Commission's normal review process, will likely result if Transource PA is not permitted to present rebuttal testimony regarding the Project's reliability benefits at this stage of the proceeding.

If the material question is not answered and the ALJs' error corrected as soon as possible and before the close of the evidentiary record, substantial delay will result. Not correcting the ALJs' error until after a recommended decision is issued will result in substantial delay because the proceedings would likely be remanded for further hearing and development of a full evidentiary record. This delay is highly prejudicial to Transource PA because it severely jeopardizes Transource PA's ability to meet its contractual obligation regarding the Project's in service date. Pursuant to the Designated Entity Agreement with PJM, Transource PA is obligated to have the Project in service by November 2020. If the Commission waits to resolve the material questions until after a recommended decision is issued, the Commission's ruling could put the Company at risk for not being able to meet the Project's in service date. Further, delay also creates substantial uncertainty for transmission planners and PJM in evaluating other transmission line projects.

G. No Stay of the Proceeding is required.

The proceeding should not be stayed pending the outcome of the Commission's ruling on Transource PA's Petition for Interlocutory Review. The case can proceed to the evidentiary hearings as scheduled to address issues that are separate from reliability benefits, e.g., market

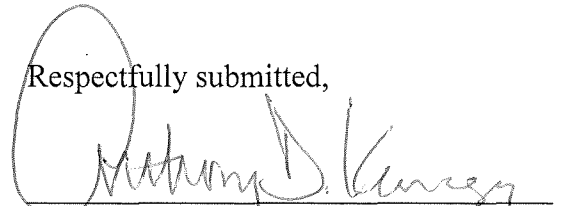
efficiency and siting. These issues should be addressed at the hearings scheduled to begin on February 21, 2019. It is not necessary to stay the proceedings because, if the Commission answers the material questions in the affirmative and reverses the Orders, Transource PA proposes that a separate hearing be held by March 31, 2019 to address only the reliability issues. Transource PA requests that other parties have an opportunity to present surrebuttal testimony limited to the reliability issues, along with any other update which may occur as a result of the ongoing PJM planning process, at least one week prior to the hearing and that Transource PA be permitted to respond at the hearing. To stay the case would result in additional and unnecessary delay especially given that the procedural schedule in this case is already unprecedentedly long. No further delay is warranted.

IV. CONCLUSION

WHEREFORE, Transource Pennsylvania, LLC respectfully requests that the Pennsylvania Public Utility Commission answer the material questions in the affirmative and reverse the Sixth and Seventh Prehearing Orders striking the Company's rebuttal testimony regarding reliability benefits.

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