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MAR 18 2019

800 Cabin Hill Drive
Greensburg, PA 15601



PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

John L. Munsch
Attorney

724-838-6210
Fax: 234-678-2370

March 18, 2019

VIA FEDEX OVERNIGHT

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

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

Dear Secretary Chiavetta:

Pennsylvania Power Company ("Penn Power" or "Company") submits this letter in response to Comments submitted by the Office of Consumer Advocate ("OCA") in the above-referenced proceeding.

On January 18, 2019, Penn Power filed and served a Petition for Modification of its Long-Term Infrastructure Improvement Plan ("LTIIP"). The Company's original LTIIP was approved by Commission Order entered February 11, 2016, and a subsequent modification was approved by Commission Order entered June 14, 2017, at the above docket. Pursuant to 52 Pa. Code § 121.4(c), LTIIP filings are subject to a 30-day comment period. On February 15, 2019, OCA submitted Comments in response to the Company's Petition for Modification. Additionally, OCA submitted Comments in response to each of the other three Petitions for Modification submitted by the FirstEnergy Corp. affiliates that provide electric distribution service in Pennsylvania.¹ OCA's Comments were substantially identical for each of the four FirstEnergy Corp. affiliates.

Company responds herein to the issues raised in OCA's Comments.

1. OCA recommends that the Company submit a report, within 120 days after the LTIIP period ends, that evaluates the cost effectiveness of the LTIIP initiatives for the Company.

¹The four FirstEnergy Corp. affiliates are Penn Power, Metropolitan Edison Company, Pennsylvania Electric Company, and West Penn Power Company.

In its Order entered February 11, 2016, approving the FirstEnergy affiliates' LTIPs for the period spanning the years 2016 through 2020, the Commission directed each of the four FirstEnergy Corp. affiliates to file a report with the Commission, within 120 days after the LTIP period ends, evaluating the cost effectiveness of the LTIP initiatives.² The recommendation of OCA repeats the same directive of the February 11, 2016 Order and, consequently, Penn Power will accept the OCA recommendation to provide a report within 120 days after the end of the proposed 2019 LTIP if approved.

2. OCA states that it does not object to the Company's proposal to shorten the current LTIP period to four years as long as the new LTIP period covers at least 5 years.

In its Final Implementation Order regarding LTIPs entered August 2, 2012,³ the Commission suggested that "a five-to ten-year term for the LTIP is appropriate as this time is forward-looking enough for utilities to make accurate predictions and provides sufficient time for long-term planning of planned repairs and replacement of eligible property." In its Petition for Modification filed January 18, 2019, the Company stated that it currently plans to formulate and submit for Commission approval, no later than 120 days prior to the expiration of its modified LTIP, a new LTIP spanning the five-year period of 2020 through 2024. Consequently, OCA's recommendation is consistent with the Company's current plans.

3. OCA suggests that the Company submit a calculation of the Company's DSIC rate at the end of the LTIP period (i.e. end of 2019) for the end of the revised LTIP period (i.e. end of 2019) based on the Company's revised, increased spending projections.

The OCA's suggestion is acceptable to the Company. Upon approval of the Company's proposed LTIP modification, the Company will provide a projected calculation of its DSIC rate as of the end of 2019.

4. OCA suggests that the Company provide an explanation of how its wood pole replacement program will serve to meet the Commission's stated objectives about its wood pole replacement program. OCA suggests that the Company's program "does not indicate whether and how replacement poles will differ from those being replaced."

Penn Power's Wood Pole Replacement Program provides accelerated replacement of wood poles identified by a qualified inspector as degraded beyond a restorable condition. The type of replacement poles to be utilized depends on the circumstances of the location and evaluation of the pole requirements. Prior to replacement, poles are evaluated to determine appropriate pole class, height and location. Pole replacement includes replacing the ancillary equipment such as crossarms, guy wires, and other hardware. Replacing the pole prior to the standard replacement

² Commission Order entered February 11, 2016, Ordering Paragraph No. 5.

³ Implementation of Act 11 of 2012, Docket No. M-2012-2293611, entered August 2, 2012.

Rosemary Chiavetta
March 18, 2019
Page 3

schedule provides additional reliability benefits considering the likelihood of pole failure coupled with weather events, and contributes to storm hardening. Any associated hardware and ancillary equipment replacements also reduce the risk of an otherwise unidentified potential failure.

Penn Power also points out that its wood pole replacement program is consistent with its currently approved LTIP and has been successfully administered to date. The Company submits that the program as submitted in its LTIP Modification will enhance reliability and should be approved by the Commission as requested in the LTIP Modification.

Penn Power provides the foregoing response to the Comments submitted by OCA to provide further clarity to the Company's LTIP Modification submitted January 18, 2019. Copies of this letter are being served as shown on the Certificate of Service.

Respectfully submitted,


John L. Munsch

JLM:dml

Enclosure

cc: Per Certificate of Service
Paul T. Diskin, Director, Office of Technical Utility Services (w/encl.)

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RE: Petition of Pennsylvania Power Company for Approval of Modification of its Long-Term Infrastructure Improvement Plan; Docket No. P-2015-2508931

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served copies of Pennsylvania Power Company's Petition for Approval of Modification of its Long-Term Infrastructure Improvement Plan on the following persons in the manner specified below, in accordance with the requirements of 52 Pa. Code § 1.54:

VIA FIRST CLASS MAIL

Darryl A. Lawrence
Lauren M. Burge
David T. Evrard
Candis A. Tunilo
Harrison W. Breitman
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
dlawrence@paoca.org
lburge@paoca.org
deverard@paoca.org
ctunilo@paoca.org
hbreitman@paoca.org

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

Joseph Otis Minott
Ernest Logan Welde
Clean Air Council
135 South 19th Street, Suite 300
Philadelphia, PA 19103
joe_minott@cleanair.org
lwelde@cleanair.org
Counsel for Clean Air Council

Allison C. Kaster
Senior Prosecutor
Gina L. Lauffer
Prosecutor
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commerce Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17105-3265
akaster@pa.gov
ginlauffer@pa.gov

George Jugovic, Jr.
Chief Counsel
Citizens for Pennsylvania's Future
200 First Avenue, Suite 200
Pittsburgh, PA 15222
jugovic@pennfuture.org
*Counsel for Citizens for Pennsylvania's
Future & Environmental Defense Fund*

Joline Price
Elizabeth R. Marx
Patrick M. Cicero
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net
*Counsel for Coalition for Affordable
Utility Services and Energy Efficiency
in Pennsylvania*

Robert Altenburg
Director, PennFuture Energy Center
Citizens for Pennsylvania's Future
610 North Third Street
Harrisburg, PA 17101
altenburg@pennfuture.org
*Counsel for Citizens for Pennsylvania's
Future*

Derrick Price Williamson
Barry A. Naum
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
bnaum@spilmanlaw.com
*Counsel for Wal-Mart Stores East, LP
and Sam's East, Inc.*

Date: March 18, 2019


John L. Munsch

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JOHN MUNSCHE
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TO ROSEMARY CHIAVETTA, SECRETARY
PA PUBLIC UTILITY COMMISSION
400 NORTH ST

HARRISBURG PA 17120

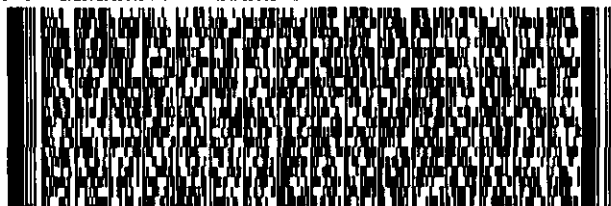
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