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July 2, 2018

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Application of Transource Pennsylvania, LLC 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 York and Franklin Counties, Pennsylvania; Docket Nos. A-2017-2640195 and A-2017-2640200

Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Rice Substation in Franklin County, Pennsylvania is reasonably necessary for the convenience or welfare of the public; Docket No. P-2018-3001878

Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Furnace Run Substation in York County, Pennsylvania is reasonably necessary for the convenience or welfare of the public; Docket No. 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 Line 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 No. A-2018-3001881, *et al.*

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Conference Memorandum of Mid-Atlantic Interstate Transmission, LLC and West Penn Power Company in the above-referenced matters.

As indicated on the attached Certificate of Service, copies have been served on the parties in the manner indicated.

July 2, 2018

Please contact me with any questions regarding this matter.

Very truly yours,


Teresa K. Harrold

dln
Enclosures

c: As Per Certificate of Service
Elizabeth H. Barnes and Andrew M. Calvelli, Administrative Law Judges

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Transource Pennsylvania, LLC 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 York and Franklin Counties, Pennsylvania : :
: :
: :
: : **Docket No. A-2017-2640195**
: : **A-2017-2640200-**
: :

Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Rice Substation in Franklin County, Pennsylvania is reasonably necessary for the convenience or welfare of the public : :
: :
: : **Docket No. A-2018-3001878**
: :

Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Furnace Run Substation in York County, Pennsylvania is reasonably necessary for the convenience or welfare of the public : :
: :
: : **Docket No. A-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 Line 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 No. A-2018-3001881,**
: : *et al.*
: :

**PREHEARING CONFERENCE MEMORANDUM OF
MID-ATLANTIC INTERSTATE TRANSMISSION, LLC AND
WEST PENN POWER COMPANY**

Pursuant to the Second Prehearing Conference Order issued June 5, 2018 by Administrative Law Judges (“ALJs”) Elizabeth H. Barnes and Andrew M. Calvelli, Mid-Atlantic Interstate Transmission, LLC (“MAIT”) and West Penn Power Company (“West Penn”) (jointly,

“FirstEnergy Companies”) hereby submit this Prehearing Conference Memorandum with respect to the above-referenced proceedings.

I. HISTORY OF THE PROCEEDING

On December 27, 2017, Transource Pennsylvania, LLC (“Transource”) filed Applications pursuant to 52 Pa. Code Chapter 57, Subchapter G, for approval of the siting and construction of the 230 kV transmission lines associated with the Independence Energy Connection-East Project in York County, Pennsylvania (“East Application”) and the Independence Energy Connection-West Project (jointly, the “Independence Projects”) in Franklin County, Pennsylvania (“West Application”) at the Pennsylvania Public Utility Commission (“Commission”).

On February 20, 2018, the FirstEnergy Companies submitted Petitions to Intervene related to the East and West Application proceedings. A Prehearing Conference was held on March 13, 2018 before ALJ Barnes and ALJ Calvelli, at which time the FirstEnergy Companies’ Petitions to Intervene were granted. Subsequently, parties have participated in discovery and attending public input hearings and site visits in Franklin County and York County.

On May 15, 2018, Transource filed 133 applications for approval to exercise eminent domain power related to the Independence Projects, including one application that requests to use eminent domain power to acquire a certain portion of West Penn property.¹

On June 5, 2018, ALJs Barnes and Calvelli issued a Second Prehearing Conference Order, which schedules a second prehearing conference for July 9, 2018, and requests that the parties address a few discrete issues at the conference. In addition, the Second Prehearing Conference Order requests that parties submit prehearing memoranda by July 5, 2018.

¹ West Penn’s Protest is being filed contemporaneously with this Prehearing Memorandum.

On June 26, 2018, the ALJs issued a Third Prehearing Order, which consolidated the above-referenced dockets into a single proceeding and extended the due date for direct testimony until September 25, 2018.

The FirstEnergy Companies' Prehearing Memorandum is filed consistent with the Second Prehearing Conference Order and responds to the issues raised by ALJs Barnes and Calvelli.

II. STATEMENT OF THE ISSUES

The FirstEnergy Companies neither oppose nor support Transource's East and West Applications; however, proposed changes to the Applications by other intervenors, as well as the Commission's ultimate disposition of the Applications could directly impact the FirstEnergy Companies. Transource is seeking approval from the Commission to construct 230 kV transmission lines in order to implement a Market Efficiency project, identified as Baseline Upgrade Numbers b2743 and b2752, previously approved by PJM Interconnection, LLC ("PJM"). Under Baseline Upgrade Numbers b2743 and b2752, MAIT will be required to construct a line between the Hunterstown-Conemaugh 500 kV transmission line and a new substation, the Rice Substation, which will be constructed by Transource. If the Independence East Project is approved, MAIT also will be required to make relay upgrades at its substation facilities in Middletown, Pennsylvania. In addition, the Independence West Project may affect the operation of several transmission lines in West Penn's service territory. Any modifications made to Transource's Applications during these proceedings may directly impact the FirstEnergy Companies' operations.

Moreover, Transource's eminent domain application filed at Docket No. A-2018-3002129 directly impacts West Penn's used and useful utility property in Greene Township, Pennsylvania. Transource offers insufficient information within the eminent domain application for West Penn to evaluate whether Transource's requested property rights would adversely impact West Penn's

operations. Based on Transource's limited description of its proposed right-of-way, West Penn has concerns regarding the close proximity of Transource's right-of-way to West Penn's substation. Further, Transource lacks legal authority to condemn the used and useful property of another utility.

III. WITNESSES

Although the FirstEnergy Companies currently have not identified any witnesses, the FirstEnergy Companies reserve their right to present witnesses and testimony based on developments in the proceedings.

IV. SETTLEMENT

The FirstEnergy Companies are willing to participate in any settlement discussions regarding these proceedings.

V. DISCOVERY ISSUES

The FirstEnergy Companies take no position regarding the discovery issues raised by the Office of Consumer Advocate in their Motion to Amend the Procedural Schedule filed June 1, 2018.

VI. SERVICE LIST

For purposes of service in the above-referenced proceedings, please include Teresa Harrold and John Munsch on the service list at the address listed below.

VII. AMENDED PROCEDURAL SCHEDULE

The FirstEnergy Companies do not oppose the procedural schedule established for Docket Nos. A-2017-2640195 and A-2017-2640200, as amended by the ALJ's subsequent prehearing and procedural orders.

VIII. FEASIBILITY OF ALTERNATIVE SITING ROUTES

As part of the Second Prehearing Conference Order, the ALJs requested that parties

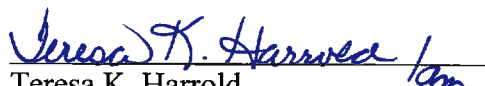
identify the “feasibility of alternative siting routes including the use of existing transmission lines owned by... Mid-Atlantic Interstate Transmission, LLC [and/or] FirstEnergy Company.” The FirstEnergy Companies proposed an alternative market efficiency project, which largely utilized existing transmission rights-of-way. PJM identified the FirstEnergy Companies’ project as 18H. PJM ultimately rejected the FirstEnergy Companies’ proposed project in favor of the Independence Projects identified as project 9A by PJM. More information related to the proposed projects and PJM’s analysis may be found at the website related to PJM’s Transmission Expansion Advisory Committee (“TEAC”) (<http://pjm.com/committees-and-groups/committees/teac.aspx>). TEAC held a number of meetings related to the proposed market efficiency projects and the TEAC meeting materials include “market efficiency update” presentations, which discuss the proposed market efficiency projects in more detail.

X. CONCLUSION

WHEREFORE, the FirstEnergy Companies respectfully submit this Prehearing Conference Memorandum.

Respectfully submitted,

Dated: July 2, 2018


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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Furnace Run Substation in York County, Pennsylvania is reasonably necessary for the convenience or welfare of the public : :
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: :
: : **Docket No. A-2018-3001881,**
: : *et al.*
: :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below.

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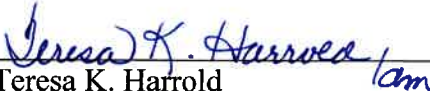
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Dated: July 2, 2018


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