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June 15, 2010

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

**VIA HAND DELIVERY**

**RE: Joint Application of West Penn Power Company doing business as Allegheny Power, Trans-Allegheny Interstate Line Company and FirstEnergy Corp. For A Certificate of Public Convenience Under Section 1102(A)(3) of the Public Utility Code Approving A Change of Control of West Penn Power Company and Trans-Allegheny Interstate Line Company;  
Docket Nos. A-2010-2176520 and A-2010-2176732**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") are the original and three (3) copies of the Prehearing Memorandum of the Met-Ed Industrial Users Group ("MEIUG") and the Penelec Industrial Customer Alliance ("PICA"), in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp an extra copy of this transmittal letter and Prehearing Memorandum, and kindly return them for our filing purposes. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By *Charis Mincavage*  
Charis Mincavage

Counsel to the Met-Ed Industrial Users Group and  
the Penelec Industrial Customer Alliance

CM/sds

Enclosures

- c: Administrative Law Judge Wayne L. Weismandel (via Hand Delivery and E-mail)
- Administrative Law Judge Mary D. Long (via First-Class Mail and E-mail)
- Certificate of Service

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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JOINT APPLICATION OF WEST PENN :  
POWER COMPANY doing business as :  
ALLEGHENY POWER, TRANS- :  
ALLEGHENY INTERSTATE LINE COMPANY :  
AND FIRSTENERGY CORP. FOR A : Docket Nos. A-2010-2176520  
CERTIFICATE OF PUBLIC CONVENIENCE : A-2010-2176732  
UNDER SECTION 1102(A)(3) OF THE PUBLIC :  
UTILITY CODE APPROVING A CHANGE :  
OF CONTROL OF WEST PENN POWER :  
COMPANY AND TRANS-ALLEGHENY :  
INTERSTATE LINE COMPANY :

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**PREHEARING MEMORANDUM OF THE MET-ED INDUSTRIAL USERS GROUP  
AND THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE**

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As requested by Administrative Law Judge ("ALJ") Wayne L. Weisman in the May 24, 2010, Prehearing Conference Order, the Met-Ed Industrial Users Group ("MEIUG") and the Penelec Industrial Customer Alliance ("PICA") hereby submit this Prehearing Memorandum.

**I. HISTORY OF THE PROCEEDING**

On May 14, 2010, West Penn Power Company d/b/a Allegheny Power ("West Penn"), Trans-Allegheny Interstate Line Company ("TrAILCo"), and FirstEnergy Corp. ("FirstEnergy") (collectively, "Applicants"), applied for a Certificate of Public Convenience under Section 1102(a)(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(3), requesting, among other things, that the Pennsylvania Public Utility Commission ("PUC" or "Commission") approve a "change in control" of West Penn and TrAILCo ("Merger Application"). Through the Merger Application, the Applicants request that the control of West Penn and TrAILCo be transferred from Allegheny Energy, Inc. ("Allegheny Energy"), the parent company of West Penn and

TrAILCo, to FirstEnergy, via a merger of Allegheny Energy with Element Merger Sub., Inc. ("Merger Sub"), a wholly-owned subsidiary of FirstEnergy.

On June 14, 2010, MEIUG/PICA filed a Petition to Intervene in this proceeding. A description of MEIUG/PICA is set forth in Paragraph 3 of their Petition to Intervene. A Prehearing Conference has been scheduled in this proceeding for June 22, 2010, before ALJs Wayne L. Weismandel and Mary D. Long. MEIUG/PICA's Petition to Intervene awaits disposition by the ALJs.

## **II. ANTICIPATED ISSUES AND SUB-ISSUES**

MEIUG/PICA are concerned with issues regarding the terms and conditions of their electricity service. Specifically, MEIUG/PICA are concerned that the proposed merger could adversely impact service reliability, including some reliability concerns that are already outstanding, in the Metropolitan Edison Company ("Met-Ed") and Pennsylvania Electric Company ("Penelec") service territories and may also result in a negative impact on their transmission and distribution rates. MEIUG/PICA also question whether the merger is prudent and in the public interest. In addition, MEIUG/PICA are concerned that the proposed merger will have anticompetitive effects on Pennsylvania's retail electricity markets and PJM Interconnection, L.L.C.'s ("PJM") wholesale electricity markets. MEIUG/PICA anticipate pursuing these issues during this proceeding, and also reserve the right to raise further issues and to respond to issues raised by other parties.

## **III. PROPOSED WITNESSES**

MEIUG/PICA are still evaluating those topics on which to submit testimony, including the appropriate witnesses for purposes of presenting such testimony. Once MEIUG/PICA confirms the topics and accompanying witnesses, MEIUG/PICA will inform the ALJs and the

other parties as soon as possible. MEIUG/PICA also intend to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions and reply exceptions, if necessary.

#### **IV. PROPOSED SCHEDULE AND DISCOVERY RULES**


MEIUG/PICA will cooperate with the ALJs and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJs.

#### **V. POSSIBILITY OF SETTLEMENT**

MEIUG/PICA are willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: June 15, 2010

## CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Certificate of Service

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Dated this 15<sup>th</sup> day of June, 2010, at Harrisburg, Pennsylvania.