



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
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October 29, 2010

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Joint Application of West Penn Power Company d/b/a Allegheny Power, Trans-Allegheny Interstate Line Co and FirstEnergy Corp. for a Certificate of Public Convenience Under Section 1102(a)(3) to change control of West Penn Power Co and TransAllegheny Line Co.

Docket Nos. A-2010-2176520  
A-2010-2176732

Dear Secretary Chiavetta:

I am sending the enclosed copy of the **Statement in Support of Joint Petition for Partial Settlement**. Should you have any questions or need additional information, please contact me at (717) 783-7998.

Sincerely,

Allison C. Kaster  
Prosecutor  
Office of Trial Staff  
PA Attorney I.D. #93176

Enclosure  
ACK/edc

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Joint Application of West Penn Power :  
Company d/b/a 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 in :  
control of West Penn Power Company :  
and Trans-Allegheny Line Company :**

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**OFFICE OF TRIAL STAFF  
STATEMENT IN SUPPORT OF  
JOINT PETITION FOR  
PARTIAL SETTLEMENT**

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**TO ADMINISTRATIVE LAW JUDGES WAYNE WEISMANDEL AND MARY LONG:**

The Office of Trial Staff (“OTS”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutors Allison C. Kaster and Carrie B. Wright, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Partial Settlement (“Joint Petition” or “Settlement”) are in the public interest and represent a fair and just balance of the interests of FirstEnergy Corp. (“FirstEnergy”), West Penn Power Company (“West Penn”), doing business as Allegheny Power, Trans-Allegheny Interstate Line Company (collectively “Joint Applicants”) and its customers:

## BACKGROUND

1. On May 14, 2010, Joint Applicants filed an Application seeking approval for a change in control of West Penn and TrAILCo. The Joint Applicants are also seeking approval of revisions to affiliated interest agreements.

2. The Office of Trial Staff (“OTS”) filed a Notice of Appearance on May 24, 2010. Protests and petitions to intervene in this proceeding were filed by the Office of Consumer Advocate (“OCA”), Office of Small Business Advocate (“OSBA”), the International Brotherhood of Electrical Workers (“IBEW”), the York County Solid Waste and Refuse Authority (“YCSWA”), Duquesne Light Company, Pennsylvania Rural Electric Association (“PREA”), West Penn Power Sustainable Energy Fund (“WPPSEF”), The Pennsylvania State University (“PSU”), Citizen Power, Inc., ARIPPA, West Penn Power Industrial Intervenors (“WPPII”), the Met-Ed Industrial Users Group and the Penelec Industrial Customer Alliance (collectively “MEIUG/PICA”), the Pennsylvania Department of Environmental Protection (“DEP”), Direct Energy Services, LLC, the Retail Energy Supply Association, the Pennsylvania Mountains Healthcare Alliance (“PMHA”), the Utility Workers Union of America, AFL-CIO and UWUA System Local No. 103 (collectively, “UWUA Intervenors”), Clean Air Council (“CAC”), Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc. (collectively “Constellation”), and Citizens for Pennsylvania’s Future (“PennFuture”).

3. The Commission assigned this proceeding to the Office of Administrative Law Judge. Administrative Law Judges Wayne L. Weismandel and Mary D. Long

convened a Prehearing Conference on June 22, 2010. At that time, a litigation schedule was developed that provided for the filing of testimony, hearings, and briefs.

4. Evidentiary hearings were held during the week of October 12, 2010 in the Keystone Building in Harrisburg for the purpose of cross-examination and admission of testimony into the record.

5. Settlement discussions occurred between the Joint Applicants and other parties in this proceeding. As a result of these discussions, the Joint Applicants were able to reach settlement with OTS, OCA, DEP, IBEW, UWUA Intervenors, PSU, MEIUG/PICA, WPPII, PREA, PMHA, WPPSEF, YCSWA, ARIPPA, CAC, PennFuture and Constellation.

6. A Joint Petition for Partial Settlement was executed and presented to the ALJs on October 25, 2010. In accordance with Commission policy favoring settlements, 52 Pa. Code § 5.231, the signatory parties to the Joint Petition were successful in achieving a settlement of all issues utilizing the discovery and settlement negotiation process.

#### LEGAL STANDARD

7. The Public Utility Code mandates that Commission approval, in the form of a certificate of public convenience, must be obtained prior to offering or abandoning public utility service or transferring certain property.<sup>1</sup> To obtain a certificate of public convenience, the evidence must show that the acquisition is “necessary or proper for the

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1 66 Pa. C.S. § 1102(a).

service accommodation, convenience, or safety of the public.”<sup>2</sup> This standard was interpreted by the Supreme Court, which found that there must be a showing that a merger will “affirmatively promote the ‘service, accommodation, convenience or safety of the public’ in some substantial way.”<sup>3</sup> To ensure that the merger is in the public interest, the Commission may impose conditions on its granting of the certificate of public convenience.<sup>4</sup>

### TERMS AND CONDITIONS OF SETTLEMENT

8. The OTS submits that the Settlement represents a balance of the interests of the Joint Applicants and its customers. Accordingly, for the reasons articulated below, OTS maintains that the proposed Settlement is in the public interest and requests that it be approved by the ALJs and the Commission:

a. *Regional Headquarters and Employment Levels* (Joint Petition ¶ 14): As part of the Joint Settlement, the corporate headquarters of Allegheny Energy in Greensburg, Pennsylvania will become West Penn’s regional headquarters. In addition, the Joint Applicants commit that the net employment levels in Greensburg, Pennsylvania and Westmoreland County for FirstEnergy employees and its affiliates will be as follows for the five years following consummation of the merger:

- During the 12-month period following consummation of the merger, an average number of no less than 800 employees.
- During the subsequent 12-month period, an average number of no less than 675 employees.

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2 66 Pa. C.S. § 1103(a).

3 *City of York v. Pennsylvania Public Utility Commission*, 449 Pa. 136 (1972).

4 *Joint Application for Approval of the Merger of GPU, Inc. with FirstEnergy Corp.*, Docket No. A-110300F0095, 2001 Pa. PUC Lexis 23 (June 20, 2001).

- During the subsequent 12-month period, an average number of no less than 650 employees.
- During the subsequent 24-month period, an average number of no less than 600 employees.

The average number of employees is comprised of the number of employees with primary reporting locations in Greensburg, Pennsylvania and any new jobs that are created in or moved to Westmoreland County less any employees who leave due to voluntary attrition. The Joint Applicants further commit that career transition services will be provided for employees in Greensburg, Pennsylvania whose jobs are impacted by the merger. Such services include assistance and training for writing resumes, interview skills and job search services.

The commitment to keeping the regional headquarters in Greensburg, Pennsylvania and the five year staffing level commitment are in the public interest as they provide protections for employees while at the same time do not unreasonably restrict the flexibility FirstEnergy needs to efficiently provide adequate and reasonable service to its customers. Employment levels was an issue raised in OTS testimony<sup>5</sup> and at the Public Input Hearings held in Greensburg, Pennsylvania on August 3, 2010. FirstEnergy's agreement to maintain employment levels as contained in the Settlement is important because decisions about the size and location of workforce are largely within the utility's discretion. It is well settled that the Commission does not have the authority to micro-manage a utility and Pennsylvania appellate courts have ruled that utilities, not

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5 OTS St. No. 1, pp. 2-5. OTS St. No. 1-SR, pp. 2-4.

the Commission, have the right to make such business decisions.<sup>6</sup> Moreover, FirstEnergy agrees to provide career transition services as specified in the Settlement to assist employees whose jobs are impacted by the merger in developing skills to obtain employment. Through the Settlement, the parties developed these important workforce protections, which ensure that customers will continue to receive safe and reliable service while still allowing FirstEnergy flexibility to operate its utilities and create synergy savings.

b. *Rate Stay Outs and Credits* (Joint Petition ¶¶ 16-19): With the exceptions noted in the Joint Petition, the settling parties agree that Met-Ed, Penelec and Penn Power will not increase distribution base rates to be effective prior to October 1, 2012. The Joint Petition further provides that during this stay-out period, if Met-Ed, Penelec or Penn Power earns a return on equity that exceeds 10.1%, then such company will credit its excess earnings over the following 12 months to its customers. This Settlement term is in the public interest as it provides a period of rate stability for Met-Ed, Penelec and Penn Power customers and ensures that those customers will be compensated if there are over earnings during the stay out period.

With regard to merger savings, the Joint Petition provides that West Penn residential customers will receive a distribution rate credit totaling \$3.57 million per year for three years, resulting in approximately \$10.7 million in rate credits to West Penn

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<sup>6</sup> *Northern Pennsylvania Power Company v. Pa. P.U.C.*, 333 Pa. 265, 268, 5 A.2d 133, 134-135 ("The Public Utility Commission is not a super board of directors for the public utility companies of the State and it has no right of management over them. . . . The company manages its own affairs to the fullest extent consistent with the protection of the public's interest, and only as to such matters is the commission authorized to intervene, and then only for the special purposes mentioned in the act").

residential customers. In addition, Tariff 37 customers will receive a distribution rate credit of \$15,000 per year for three years. West Penn will also provide a credit equal to the increase in Energy Efficiency & Conservation (“EE&C”) costs to Rate Schedules 20, 22, 30 Small and 30 Large and Rate Tariff 37 resulting from its revised EE&C plan. For the purposes of Settlement, the parties agree that those costs are deemed to be \$6.19 million. These terms are in the public interest as it provides West Penn customers with approximately \$17 million in credits.

Paragraph 19 of the Joint Petition provides that any acquisition premium and the specified transaction costs will be excluded from rates of Met-Ed, Penelec, Penn Power and West Penn. Insulating ratepayers from paying these merger related costs is in the public interest.

*c. Financial Governance* (Joint Petition ¶¶ 36-37): FirstEnergy agreed to a number of corporate protections to ensure that its regulated customers will be protected from the risk of affiliated businesses not regulated by the Commission. These provisions incorporate the principal elements of the proposals presented by OTS in testimony.<sup>7</sup> In particular, the Joint Petition provides that FirstEnergy will: (1) maintain separate money pools for its regulated and unregulated operations; (2) ensure that each Pennsylvania operating company issues its own debt after obtaining regulatory approval; (3) ensure that each FirstEnergy Pennsylvania utility maintains its own credit rating as long as it has debt outstanding and credit rating agencies are willing to provide such rating; (4) ensure that no FirstEnergy utility will assume debt issued by the holding company without

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<sup>7</sup> OTS St. No. 1, pp. 16-21. OTS St. No. 1-SR, pp. 5-8.



Commission approval; (5) maintain separate financial statements that reflect each utility's own assets and liabilities; and, (6) ensure that each utility has its own capital structure that is comprised of its own debt and equity. By implementing these corporate protections, the Joint Petition contains provisions that will protect customers from the risks associated with unregulated affiliates and cross-subsidization.

The Joint Petition also provides that no FirstEnergy Pennsylvania utility operating company, will do the following unless expressly authorized by the Commission: (1) transfer, merge, sell, lease or dispose of utility property that has a net book value greater than \$10 million and is included in rate base and recovered through rates; or (2) issue debt secured by utility assets for purposes other than as approved by the Commission. Moreover, the Joint Petition further requires that, for a period of five years, if any post merger FirstEnergy Pennsylvania utility's equity-to-cap ratio falls below 40%, that company will provide the commission with a 12 month plan to bring its equity-to-cap ratio to 40%. If the ratio remains below 40% after the 12 month period, the company will not pay a dividend to its parent until the ratio is 40% or greater. By providing for Commission approval in advance of certain transfers of funds, interested parties can monitor any changes and such protections provide accounting and pricing protocols that allow the Commission to perform its regulatory oversight functions.

These safeguards, negotiated as part of the Joint Petition, are above and beyond the protections that otherwise may have been put in place had this proceeding been fully litigated. Such measures are in the public interest as they aid in insulating FirstEnergy's regulated utilities and customers from non-jurisdictional operations.

d. *Service Quality and Reliability* (Joint Petition ¶¶ 49-52): The Settlement reflects a commitment to service quality and reliability. OTS Witness Amanda Gordon identified several areas of concern because the Joint Applicants failed to articulate specific goals or commitments to improve customer service in its Application.<sup>8</sup> The Settlement remedies these concerns as it establishes reliability and customer service standards.

The Settlement includes a provision that FirstEnergy will improve West Penn's Customer Average Interruption Duration Index (CAIDI), which is the average duration of sustained interruptions for those customers who experience interruptions during the analysis period, by 5% over the next seven years with a target of 172 minutes (Joint Petition ¶ 49.a). The Settlement also requires that FirstEnergy improve West Penn's System Average Interruption Duration Index (SAIDI), which is the average duration of sustained customer interruptions per customer occurring during the analysis period, by 5% over the next seven years with a target of 198 minutes (Joint Petition ¶ 49.b). In addition, Commission regulations require EDCs to report the percentage of calls answered within 30 seconds with the representative ready to render assistance and process the call. As shown in OTS direct testimony, in 2008, 81% of FirstEnergy's calls were answered within 30 seconds while only 58% of West Penn's calls were answered in 30 seconds.<sup>9</sup> The Joint Petition requires a 30 second answer rate of 70% for West Penn within five years of approval of the merger (Joint Petition ¶ 49.c). In total, these metrics

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8 OTS St. No. 1, pp. 4-15. OTS St. No. 1-SR, pp. 4-5.

9 OTS St. No. 1, p. 7.

represent specific reliability improvements that FirstEnergy and West Penn will work to achieve. These agreed upon performance levels are clearly an improvement over West Penn's current performance and are important to ensure that the utility is accessible to its customers.

Furthermore, for the years 2011 through 2017 West Penn will provide an annual report to the Commission analyzing its progress in achieving the CAIDI and SAIDI thresholds set forth above (Joint Petition ¶ 49.d). Within 60 days of filing the annual report, OTS, OCA and OSBA can convene a meeting to discuss the performance levels and steps for future compliance (Joint Petition ¶ 49.e). Mutually agreed upon steps can be implemented. If the parties fail to reach an agreement, a party can seek Commission review of the contested point. These Settlement terms ensure that the parties and Commission have ongoing review over West Penn's progress and will have the opportunity to recommend measures to ensure ongoing compliance with the agreed upon standards.

In addition, while FirstEnergy has agreed to review existing practices and procedures to determine "best practices" and ways to implement them, it has also agreed to conduct a study to determine if there are additional areas where West Penn's reliability and service quality can be improved (Joint Petition ¶ 50). The study will be submitted to the Commission's Bureau of Conservation, Economics and Energy Planning and to the parties upon request. These measures will assist FirstEnergy in improving West Penn's overall performance.

*e.* Commission regulations expressly state that it is the policy of the Commission to encourage settlements.<sup>10</sup> In addition, the Commission issued the following policy statement that articulates general settlement guidelines and procedures for major rate cases:

In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding. It is also the Commission's judgment that the public interest will benefit by the adoption of §§ 69.402—69.406 and this section which establish guidelines and procedures designed to encourage full and partial settlements as well as stipulations in major section 1308(d) general rate increase cases.<sup>11</sup>

Although the instant proceeding is not a major base rate case, the policy statement highlights the importance of settlement in Commission proceedings. The instant Application was filed on May 14, 2010 and the Joint Petition was executed on October 25, 2010. Over the past five months, the parties engaged in extensive formal and informal discovery, multiple rounds of testimony and lengthy settlement discussions. All signatories to the Joint Petition actively participated in and vigorously represented their respective positions during the course of the settlement process. As such, the balance of issues raised in OTS testimony has been satisfactorily resolved through discovery and discussions with the parties and are incorporated in the Joint Petition. Accordingly, OTS represents that the Settlement satisfies all applicable legal standards and results in terms

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10 66 Pa. Code § 5.231.

11 66 Pa. Code § 69.401.

that are preferable to those that may have been achieved at the end of a fully litigated proceeding.

9. Based upon OTS' analysis of the filing, acceptance of this proposed Settlement is in the public interest. Resolution of this case by settlement rather than litigation will avoid the substantial time and effort involved in continuing to formally pursue all issues in this proceeding at the risk of accumulating excessive expense.

10. The Settlement is conditioned upon the Commission's approval of all terms contained therein and should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by the Company or OTS as provided therein.

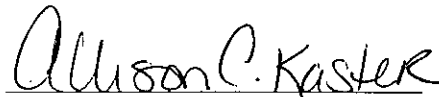
11. OTS' agreement to settle this case is made without any admission or prejudice to any position that OTS might adopt during subsequent litigation in the event that the Settlement is rejected by the Commission or otherwise properly withdrawn by any other parties to the instant proceeding.

12. If the ALJs recommend that the Commission adopt the Settlement as proposed, OTS agrees to waive the filing of Exceptions. However, OTS has not waived its right to file Reply Exceptions with respect to any modifications to the terms and conditions of the Settlement, or any additional matters, that may be proposed by the ALJs in their Recommended Decision. OTS also reserves the right to file Reply Exceptions to any Exceptions that may be filed by the Company.

13. The Commission's June 3, 2010 Secretarial Letter posed 12 questions to be investigated before the Administrative Law Judge. Attachment A contains the OTS response to those questions.

**WHEREFORE**, the Commission's Office of Trial Staff represents that it supports the Settlement as being in the public interest and respectfully requests that Administrative Law Judges Wayne Weismandel and Mary Long recommend, and the Commission approve, the terms and conditions contained in the foregoing Joint Petition for Partial Settlement.

Respectfully submitted,



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Dated: October 29, 2010

ATTACHMENT A

OTS RESPONSES TO THE COMMISSION'S  
JUNE 3, 2010 SECRETARIAL LETTER

1. How will the merger impact employment levels in Pennsylvania, particularly, but not limited to, those employees not covered by collective bargaining agreements? What will the impact be on Allegheny Energy's corporate headquarters in Greensburg, PA, as well as the operating companies' offices?

The Joint Petition for Partial Settlement ("Joint Petition" ¶ 14) provides that the average number of employees in the 12-month period following consummation of the merger that have a primary reporting location in Greensburg, Pennsylvania will be no less than 800. The average number of employees in the following 12-month period that have a primary reporting location in Greensburg will be no less than 675. In the subsequent 12-month period, the average number of employees that have a primary reporting location in Greensburg, Pennsylvania will be no less than 650. In the subsequent 24-month period, the average number of employees that have a primary reporting location in Greensburg, Pennsylvania will be no less than 600. For the purposes of calculating the average number of employees, the number of employees for each year will be the average of the number of employees with primary reporting locations in Greensburg, Pennsylvania and any new jobs that are created in or moved to Westmorland County for each month of the period being evaluated less any employees who leave due to voluntary attrition.

The corporate headquarters of Allegheny Energy in Greensburg, Pennsylvania will become the regional headquarters of West Penn (Joint Applicants St. No 1, pp. 6, 13-15; Joint Petition ¶ 14). The current locations of FirstEnergy's regional headquarters for its other Pennsylvania utilities will not be altered (Joint Petition ¶ 15).

2. How will the merger affect the customer service and system reliability of West Penn Power and the FirstEnergy Pennsylvania utilities? How will the merger affect West Penn Power and the FirstEnergy Pennsylvania utilities ability to respond to outages and other emergencies?

In the Application, First Energy and Allegheny committed to conducting a review of existing procedures and policies to determine best practices and how to implement them (Joint Applicants St. No. 1, pp. 10-11, Joint Applicants St. No. 3, pp. 9-13). In addition, the Joint Petition for Partial Settlement details specific service quality and reliability standards that must be implemented at West Penn (Joint Petition ¶¶ 49-52).

3. Review the impact of the initially proposed corporate structure of the merger versus the alternately proposed corporate structure. Which corporate structure will better protect the public interest?



OTS concurs with the answer submitted by Joint Applicants (Joint Applicants Statement No. 1-S, pp. 2-3).

4. What, if any, ring-fencing mechanisms are presently in place, or proposed as part of this transaction, to protect West Penn Power, Met-Ed, Penn Power, and Penelec from the business and financial risk of the parent and other non-regulated affiliates? Are any changes or additions necessary to better protect the public interest and make the regulated electric distribution subsidiaries bankruptcy remote?

FirstEnergy currently has the following ring-fencing measures in place, which will be extended to West Penn (Joint Petition ¶ 35):

- Separate money pools for utility and unregulated operations that neither FirstEnergy nor its unregulated subsidiaries can borrow from.
- Each operating company of FirstEnergy issues its own debt.
- No individual operating company will assume the liability of debts issued by FirstEnergy.
- Each operating company maintains its own financial statements.
- Each operating company maintains its own capital structure.
- Regulated and unregulated operations are structures as separate businesses, with separate management.

In addition to the ring-fencing measures above, the Joint Petition provides for the following additional protections (Joint Petition ¶¶ 35-36):

- No FirstEnergy Pennsylvania utility operating company will transfer, merge, sell, lease or dispose of utility property that has a net book value greater than \$10 million and is included in rate base and recovered through rates unless expressly authorized by the Commission.
- No FirstEnergy Pennsylvania utility will issue debt secured by utility assets for purposes other than as approved by the Commission.
- For a period of five years, if any post merger FirstEnergy Pennsylvania utility's equity-to-cap ratio falls below 40%, that company will provide the Commission with a 12 month plan to bring its equity-to-cap ratio to 40%. If the ratio remains below 40% after the 12 month period, the company will not pay a dividend to its parent until the ratio is 40% or greater.

5. How will the merger impact the Act 129 smart meter and energy efficiency implementation plans of West Penn Power and FirstEnergy's regulated utilities, Met-Ed, Penelec and Penn Power?

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OTS concurs with the answer submitted by Joint Applicants (Joint Applicants Statement No. 1-S, pp: 3-4). In addition, the Joint Petition addresses smart meter and time of use rates (Joint Petition ¶¶ 23-24).

6. How will the merger affect the capital structure of FirstEnergy Corporation? Will the merger create a more leveraged organization? How will the merger impact the credit rating of FirstEnergy?

OTS concurs with the answer submitted by Joint Applicants (Joint Applicants Statement No. 1-S, pp. 6-7).

7. Will West Penn Power and the other Allegheny Energy subsidiaries that currently issue their own debt maintain their own external borrowing authority and separate bond rating?

Under the terms of the Joint Petition, each FirstEnergy operating company will maintain its own borrowing authority and separate bond rating (Joint Petition ¶ 35).

8. Will West Penn Power participate in the FirstEnergy utility money pool? If, yes, please provide an updated agreement.

It is FirstEnergy's intent for West Penn to participate in the utility money pool under terms that are consistent with FirstEnergy's other Pennsylvania utilities. FirstEnergy will continue to maintain separate money pools for utility and unregulated operations that neither FirstEnergy nor its unregulated subsidiaries can borrow from (Joint Petition ¶ 35).

9. How will the proposed merger savings benefit Pennsylvania ratepayers? Will cost savings benefit ratepayers or only shareholders?

The Joint Applicants did not propose a mechanism for merger savings to directly benefit ratepayers. Rather, the Joint Applicants stated that merger savings should offset the increasing cost of providing utility service and would delay or reduce the size of future rate increase requests (Joint Applicants St. No. 1, pp. 11-12). However, under the Joint Petition, ratepayers will directly benefit from the merger by providing for a stay-out for Met-Ed, Penelec and Penn Power customers and providing for approximately \$17 million in rate credits for West Penn customers (Joint Petition ¶¶ 16-18).

10. Are the proposed affiliated interest agreements and cost allocation proposals reasonable and consistent with the public interest under Section 2102(b) of the Public Utility Code?

OTS concurs with the answer submitted by Joint Applicants (Joint Applicants Statement No. 1-S, p. 7).

11. Investigate the impact the proposed merger may have on the potential for anticompetitive behavior per 66 Pa. C.S. § 2811(e)(1). How will the merger affect wholesale and retail competition for power/electric generation and transmission?

OTS concurs with the answer submitted by Joint Applicants (Joint Applicants Statement No. 1-S, pp. 7-8).

12. How will transmission projects in the western part of the state be affected by the merger?

OTS concurs with the answer submitted by Joint Applicants (Joint Applicants Statement No. 1-S, p. 4).

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of West Penn Power :  
Company d/b/a Allegheny Power, Trans- :  
Allegheny Interstate Line Co and :  
FirstEnergy Corp. for a Certificate of : Docket Nos. A-2010-2176520-  
Public Convenience Under Section : A-2010-2176732-  
1102(a)(3) to change control of West :  
Penn Power Co and TransAllegheny Line :  
Co. :

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**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Statement in Support of Joint Petition for Partial Settlement** dated October 29, 2010, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below, in accordance with the requirements of § 1.54 (relating to service by a party):

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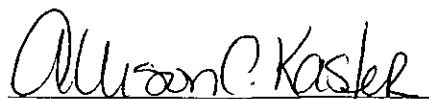
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