

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

In Re: Application of Trans-Allegheny	:	
Interstate Line Company (TrAILCo)	:	
For approval: 1) for a certificate of public	:	
convenience to offer, render, furnish or	:	
supply transmission service in the	:	A-110172
Commonwealth of Pennsylvania;	:	A-110172F0002
2) authorization and to locate, construct,	:	A-110172F0003
operate and maintain certain high-voltage	:	A-110172F0004
electric substation facilities; 3) authority	:	G-00071229
to exercise the power of eminent domain	:	
for the construction and installation of	:	
aerial electric transmission facilities along	:	
the proposed transmission line routes in	:	
Pennsylvania; 4) approval of an exemption	:	
from municipal zoning regulation with respect	:	
to the construction of buildings; and	:	
5) approval of certain related affiliated	:	
interest arrangements	:	

RECOMMENDED DECISION ON REMAND

Before
Mark A. Hoyer
Administrative Law Judge

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I. HISTORY OF THE PROCEEDINGS

On April 13, 2007, Trans-Allegheny Interstate Line Company (“TrAILCo” or “Company”) filed with the Pennsylvania Public Utility Commission (“Commission”) five separate Applications including (1) an Application for a certificate of public convenience to offer, render, furnish or supply electrical transmission service in the Commonwealth of Pennsylvania, (2) an Application for authorization to locate, construct, operate and maintain certain high-voltage electric substation facilities, (3) an Application for authority to exercise the power of eminent domain for the construction and installation of aerial electrical transmission facilities along the proposed transmission line routes in Pennsylvania, (4) an Application for approval of an exemption from municipal zoning regulations with respect to the construction of buildings, and (5) an Application for approval of certain related affiliated interest arrangements. As set forth further in the Applications, the proposed project consists of approximately 52.6 miles of transmission lines, two 500 Kv and three 138 Kv lines, and includes a substation in Washington County and one in Greene County.

Specifically, the Applications request the Commission, *inter alia*, to permit it to locate, construct, operate and maintain a new 500/138 kV substation in Washington County, Pennsylvania (“Prexy Substation”), a new 500 kV substation in Greene County, Pennsylvania (“502 Junction Substation”), a new 500 kV transmission line to connect the Prexy Substation and the 502 Junction Substation (“Prexy Segment”), and three new 138 kV transmission lines with double circuit construction from the Prexy Substation (“Prexy 138 kV Lines”) to connect with existing transmission lines of Allegheny Power (collectively referred to as the “Prexy Facilities”). TrAILCo also proposes to construct a new 500 kV transmission line in Pennsylvania from the 502 Junction Substation to the Pennsylvania-West Virginia state line (“Pennsylvania 502 Junction Segment”).¹ To summarize, TrAILCo requests that the

¹ A fuller description of the proposed facilities is found in the Company’s Application at Paragraphs 10 through 25. Essentially, the proposed project includes the siting and construction of two distinct transmission line segments; those comprising the “Prexy Facilities” (the 500/138 kV Prexy Substation in Washington County, the 500 kV transmission line to connect the Prexy Substation with the 502 Junction Substation, and three new 138 kV double circuit transmission lines extending from the new Prexy Substation to other existing 138 kV lines in Washington County) and the “Pennsylvania 502 Junction Segment,” which is proposed to be a 500 kV transmission line which runs southeast from the 502 Junction Substation to the Pennsylvania-West Virginia state line and the

Commission issue a Certificate of Public Convenience to allow it to be recognized as a Pennsylvania public utility; requests exemption from local zoning regulations; requests authorization to exercise the power of eminent domain in connection with the siting, construction and maintenance of the proposed transmission facilities; and requests approval of certain affiliated interest transactions.

In response to the filing of the TrAILCo Applications, the Office of Trial Staff (“OTS”) on May 24, 2007, filed a Petition to Intervene and Request for Expeditious Commission Action and Notice of Appearance to represent the public interest in the proceeding. By Opinion and Order entered May 30, 2007, the Commission granted the OTS Petition.

The Initial Prehearing Conference was conducted as scheduled by the presiding Administrative Law Judges (“ALJs”) on Tuesday, June 19, 2007, in the State Office Building in Pittsburgh. In addition to the OTS, parties participating and represented by counsel were TrAILCo, the Office of Consumer Advocate (“OCA”), the Energy Conservation Council of Pennsylvania (“ECC”), the West Penn Power Industrial Intervenors (“WPPII”), Columbia Gas Transmission Corporation, Columbia Gas of Pennsylvania, Inc., (“Columbia Gas”), the Greene County Commissioners, the Washington County Commissioners and multiple landowners. Also present were thirty-three additional, interested individuals.

At the request of counsel for TrAILCo, and with the assent of counsel attending the prehearing conference, a Protective Order was issued on July 19, 2007. The Protective Order provided a mechanism for the parties to access information that the Applicant considered confidential.

A Prehearing Order was issued on July 26, 2007, setting forth the agreed to schedule for proceeding with the Applications. The Prehearing Order formally consolidated the five Applications for the purposes of discovery, litigation and decision. The Prehearing Order granted several petitions to intervene but denied a petition by CPV Warren LLC. Counsel for

500 kV 502 Junction Substation in Greene County (an approximately 1.2 mile segment of the larger proposed 502 Junction – Loudon transmission line which extends through West Virginia and Virginia).

CPV Warren LLC remained on the service list for receipt of notices and orders. Provision was made for the initial service of documents, and for providing an opportunity to receive all documents if a protestant/property owner wished to do so. The Prehearing Order summarized the issues raised by the Applications. It also established a procedure for property owners to request views of their property, and detailed the procedure to follow for discovery in the proceeding.

A Second Prehearing Order was issued on August 23, 2007, that provided for a full service list and a limited service list. The order also established a tentative schedule for the viewing of individual properties.

Twelve public input sessions (two each day) were held on August 29 and 30, and September 5, 6, 19 and 20, 2007, in Washington and Greene Counties and site visits were conducted on August 31, and September 7 and 18, 2007. All together, the public input hearings and site visits are recorded in over 2100 pages of transcript.²

A Third Prehearing Order was issued on October 15, 2007, to correct language contained in a hearing notice and to provide an opportunity for parties to object to exhibits presented at the public input hearings. It also covered two other “housekeeping” matters. Rulings on various discovery matters were issued on November 9, 2007 and November 16, 2007. On December 5, 2007, an interim order captioned Rulings on Various Motions was issued that dealt with a motion of the OCA for injunctive relief, a motion of TrAILCo for certain relief, and a motion of the OCA that would require TrAILCo to cure certain alleged due process and regulatory violations. The first OCA motion was held in abeyance, the motion of TrAILCo was denied, as was the second OCA motion.

On January 2, 2008, a Fourth Prehearing Order was issued setting forth the revised litigation schedule as agreed to by the parties. A further ruling on discovery matters was issued on January 8, 2008. An Interim Order Establishing Guidelines for the Litigation of the

² A summary of the testimony presented at the public input hearings and site visits was provided in Appendix B, attached to the Recommended Decision.

Case was issued on February 7, 2008. The Interim Order included rulings on objections to statements and exhibits presented at the public input hearings and site visits. It also included a set of requirements to be met prior to the evidentiary hearings.

Evidentiary hearings were subsequently held in the Pittsburgh State Office Building on March 24-28, 2008 and continued on March 31, April 1, and April 3, 2008. The evidentiary hearing record includes in excess of 1400 pages of transcript, and many hundreds of pages of statements and exhibits. On April 28, 2008, TrAILCo, OCA and ECC entered into a Stipulation to remove a portion of TrAILCo Redirect Examination Exhibit No. 4 and transcript pages 2860-2874 and 2882-2908 from the “confidential and proprietary” record. The redacted Exhibit 4 is attached as Attachment A to the Stipulation.

On April 17, 2008, the ECC filed with the Secretary transcript corrections. On April 24, TrAILCo filed with the Secretary its transcript corrections. No objections to either set of corrections was received. Both sets of corrections were granted by operation of 52 Pa. Code §5.253(f)(2).

Main briefs were filed by TrAILCo, OTS, OCA, ECC, WPPII, and Columbia Gas. Columbia Gas and TrAILCo entered into a private settlement agreement that did not contemplate the need for the approval of this Commission. The settlement agreement was attached to the main brief of Columbia Gas as Appendix H. Reply briefs were filed by all of the above with the exception of Columbia Gas. In a statement dated April 24, 2007, former Chairman Wendell F. Holland addressed a series of questions to the parties in this proceeding. TrAILCo, OCA, OTS, ECC and WPPII all provided their answers to the Chairman’s questions in Appendix F to their respective main briefs. The record in this consolidated proceeding closed on May 30, 2008, in accordance with the provisions of the Fourth Prehearing Order.

On August 21, 2008, the undersigned and Administrative Law Judge Michael A. Nemeč issued a Recommended Decision recommending that all five of the above-docketed applications filed by TrAILCo be denied by the Commission.³ On September 10, 2008,

³ ALJ Nemeč has retired and is no longer presiding over this case.

TrAILCo filed Exceptions to the Recommended Decision. Replies to TrAILCo's Exceptions were filed by several parties. A Motion for Partial Stay of Proceedings and Request for Expedited Consideration (Motion for Partial Stay) was also filed by TrAILCo on September 10, 2008. Answers to the Motion for Partial Stay were filed and some parties commented on the Motion for Partial Stay in their respective Replies to Exceptions. On September 25, 2008, the Agreement among TrAILCo, West Penn Power Company, and the Greene County Board of Commissioners ("Partial Settlement Agreement") was filed by TrAILCo. Comments to the Partial Settlement Agreement were subsequently filed.

At the public meeting held on November 13, 2008 the Commission adopted an Opinion and Order that was entered on December 12, 2008. The Commission's Order included the following:

1. That the Partial Settlement Agreement among Trans-Allegheny Interstate Line Company, West Penn Power Company, and the Greene County Board of Commissioners, is approved. Consideration of the Applications with regard to the Prexy Facilities is stayed pending the outcome of the voluntary collaborative set forth in the Partial Settlement.
2. That Trans-Allegheny Interstate Line Company shall convene a voluntary collaborative with all interested persons (regardless of participation in this proceeding) to explore alternatives to the proposal for the Prexy Facilities consistent with this Opinion and Order and the Partial Settlement Agreement approved in Ordering Paragraph 1, above.
3. That the Motion for Partial Stay of Proceedings and Request for Expedited Consideration, filed by Trans-Allegheny Interstate Line Company, is deemed moot, consistent with this Opinion and Order.
4. That the Exceptions filed by Trans-Allegheny Interstate Line Company regarding the Pennsylvania 502 Junction Facilities are granted in part and denied in part, consistent with this Opinion and Order.

5. That the Exceptions filed by Trans-Allegheny Interstate Line Company regarding the Prexy Facilities are stayed, consistent with this Opinion and Order.

6. That the Recommended Decision of Administrative Law Judges Mark A. Hoyer and Michael A. Nemec, issued on August 21, 2008, is modified, consistent with this Opinion and Order.

7. That Trans-Allegheny Interstate Line Company's Application for a Certificate of Public Convenience is granted with respect to the Pennsylvania 502 Junction Facilities, subject to the conditions set forth in Section III.C. of this Opinion and Order and contained in the Exceptions of Trans-Allegheny Interstate Line Company, Appendix A, Items 1, 2 and 4.

8. That Trans-Allegheny Interstate Line Company's Application for authorization and certification to locate, construct, operate and maintain certain high voltage electric transmission lines and associated substation facilities is granted with respect to the Pennsylvania 502 Junction Facilities, subject to the conditions set forth in this Opinion and Order and contained in the Exceptions of Trans-Allegheny Interstate Line Company, Appendix A, Items 6 and 11.

9. That Trans-Allegheny Interstate Line Company's Application for eminent domain authority is granted with respect to the Pennsylvania 502 Junction Facilities, consistent with this Opinion and Order, subject to the conditions set forth in this Opinion and Order.

10. That Trans-Allegheny Interstate Line Company's Application for exemption from local zoning regulation is granted with respect to the Pennsylvania 502 Junction Facilities, consistent with this Opinion and Order.

11. That the four affiliated interest agreements submitted for Commission approval by Trans-Allegheny Interstate Line Company are approved, subject to the conditions set forth in this Opinion and Order.

Consistent with the Commission's Order, specifically ordering paragraph no. 2 listed above, a voluntary collaborative was convened that included some of the active parties to

this proceeding as well as some non-active parties and other collaborative participants.⁴ The following parties entered into a Joint Petition for Settlement as a result of the collaborative: TrAILCo, the Office of Consumer Advocate (“OCA”), the Office of Trial Staff (“OTS”), the Energy Conservation Counsel of Pennsylvania (“ECC”), the Washington County Board of Commissioners, the Greene County Board of Commissioners, Susan Foster Blank, Arthur L. Brogley and James R. Blockinger. According to the Joint Petition for Settlement, the Petitioners “reached agreement for the purposes of settling the issues in this proceeding relating to the proposed Prexy Facilities.”⁵ Joint Petition for Settlement, p. 3. Statements in Support of the Joint Petition for Settlement were filed by the OTS, the OCA, the ECC, TrAILCo, Susan Foster Blank, and Representative H. William DeWeese. Collaborative Statements in Support of the Joint Petition for Settlement were filed by Senator J. Barry Stoudt and West Penn Power Company d/b/a Allegheny Power and served on the active parties to this proceeding. The Joint Petition for Settlement provides as “Terms and Conditions of Settlement” that the Settlement “**avoids construction of the Prexy Facilities.**” Joint Petition for Settlement, p. 6, ¶8(a) (emphasis added).

On August 25, 2009, the undersigned Administrative Law Judge issued an Order (“Reopening Order”) which, *inter alia*, reopened the record in this proceeding to permit TrAILCo to file an amendment to its applications at the above-listed five docket numbers. The Reopening Order also added Duquesne Light as a party to this proceeding. On October 13, 2009, TrAILCo filed with the Commission’s Secretary’s Bureau an Amendment to Application (“Amendment”) and served it, along with the Joint Petition for Settlement and related documents required to be served by the Reopening Order. The documents were served on Duquesne Light and on the “Limited Service Party List” which is, in effect, the total service list for this

⁴ Other participants in the collaborative who were not active parties in the litigation of these applications include Senator J. Barry Stout, Representative Tim Solobay, West Penn Power Company, and Duquesne Light Company. Representatives from PJM Interconnection, L.L.C. (“PJM”) also participated in some fashion in the collaborative process. Joint Petition for Settlement, p. 3, footnote 3.

⁵ The “Prexy Facilities” referred to in the Recommended Decision included a new 500/138 kV substation in Washington County, Pennsylvania (“Prexy Substation”), a new 500 kV line to connect the Prexy Substation and the 502 Junction Substation (“Prexy Segment”), and three new 138 kV transmission lines with double circuit construction from the Prexy Substation (“Prexy 138 kV Lines”) to connect with existing transmission lines of Allegheny Power. Recommended Decision, p. 1.

proceeding.⁶ A Notice to Plead was attached to the Amendment. In the Amendment, TrAILCo avers that, pursuant to its obligations under the Joint Petition for Settlement, Duquesne Light will submit a Letter of Notification (“LON”) to the Commission requesting authorization to make transmission infrastructure improvements (i.e., reconductoring) as part of the transmission infrastructure alternative to the Prexy Facilities.⁷ See 52 Pa. Code §57.72(d). TrAILCo requested that the Amendment, the related future Duquesne Light LON filing and the Joint Petition for Settlement be consolidated for hearing and final disposition in the Amendment it filed.

In the Reopening Order, the undersigned required TrAILCo to include a Notice to Plead with any Amendment filed in order to ascertain whether any parties who were not signatory parties to the Joint Petition for Settlement may have an interest in presenting evidence. Duquesne Light was the only party to file an answer to the Amendment. Duquesne Light filed its Answer to Trans-Allegheny Interstate Line Company’s Amendment on November 5, 2009. In its answer, Duquesne Light agreed to be joined in this proceeding as a party. Duquesne Light further agreed to file a Letter of Notification (LON) with the Commission regarding transmission infrastructure improvements. Duquesne Light averred that it supported the consolidation of its future LON proceeding with the TrAILCo proceeding.

In response to Duquesne Light’s Answer, TrAILCo and West Penn Power Company filed a Reply of Trans-Allegheny Interstate Line Company and West Penn Power Company to Answer Containing Affirmative Relief or New Matter on November 13, 2009.

On January 8, 2010, Duquesne Light filed a LON with the Commission’s Secretary’s Bureau at Docket No. A-2010-2152048 and served it. The LON requested,

⁶ In the Second Prehearing Order issued on August 27, 2007, it was ordered that the parties on the “Full Service List” are those parties, represented by counsel, who appeared at the prehearing conference, and those parties who requested that they be added to the Full Service List by mail on or before August 15, 2007. The Full Service List was attached to the Second Prehearing Order as Appendix “A.” Those parties not electing to be included in the Full Service List were placed on the “Limited Service Party List.”

⁷ In the Amendment, TrAILCo requested the joinder of West Penn Power Company as a necessary party to the TrAILCo proceeding. No parties served with the Amendment objected to the request. West Penn Power Company was joined as a party to this proceeding by Order issued March 17, 2010.

inter alia, Commission approval to reconductor and increase the capacity of 2.21 miles of a double circuit 138 kilovolt (“kV”) transmission line connecting the Duquesne Light Collier Substation to the Duquesne Light Woodville Substation. Duquesne Light requested that its LON proceeding be consolidated with the TrAILCo proceeding here. On January 18, 2010, TrAILCo and West Penn Power Company filed a letter reply to Duquesne Light’s LON. In the letter reply, TrAILCo and West Penn Power Company indicated that they support both the relief requested by Duquesne Light in the LON and consolidation of the Duquesne Light LON proceeding with the TrAILCo proceeding. The undersigned ALJ accepted the assignment of Duquesne Light’s LON proceeding on February 22, 2010. No other responses or protests were filed in Duquesne Light’s LON proceeding, Docket No. A-2010-2152048. By letter dated February 26, 2010 and filed in the Duquesne Light LON proceeding, TrAILCo and West Penn Power Company requested that the Duquesne Light LON proceeding and this TrAILCo proceeding **not** be consolidated.⁸ TrAILCo and West Penn Power Company claim in the letter that Duquesne Light joins in the request.

For purposes of this TrAILCo proceeding, the undersigned granted TrAILCo’s request to withdraw its request for consolidation set forth in the Amendment at paragraph no. 20, even though the letter of February 26, 2010 was filed at Docket No. A-2010-2152048 and not in the TrAILCo proceeding. The undersigned’s decision not to require TrAILCo to file a motion to withdraw the consolidation request set forth in the Amendment in the TrAILCo proceeding is appropriate and does not adversely affect the substantive right of any party. *See* 52 Pa. Code §1.2.⁹

⁸ The undersigned issued an order in the Duquesne Light LON proceeding at Docket No. A-2010-2152048 denying the request to consolidate Duquesne Light’s LON proceeding with the instant proceeding and transferring the Duquesne Light LON proceeding to the Commission’s Bureau of Fixed Utility Services (“FUS”).

⁹ It is appropriate for Duquesne Light’s unprotested Letter of Notification to be reviewed first by the Commission’s Bureau of Fixed Utility Services. After said review, the Commission can either grant approval of Duquesne Light’s LON without the application process set forth in the Commission’s siting regulations, 52 Pa. Code §57.71 *et seq.*, being followed or disapprove the LON and require Duquesne Light to follow the application process set forth in the regulations. At this time, there is no need for an evidentiary hearing on Duquesne Light’s LON. There is no need to consolidate Duquesne Light’s LON proceeding with the TrAILCo proceeding.

On March 17, 2010, the undersigned Administrative Law Judge issued an Order Adding West Penn Power Company as a Necessary Party and Setting a Deadline for Written Responses Regarding the Presentation of Evidence. Any party on the Full Service List who desired to present evidence regarding the Amendment and Joint Petition for Settlement was required to indicate an intention to present evidence as well as the form and manner in which the party desired to present said evidence on or before March 29, 2010. Such intention to present evidence was required to be in writing, filed with the Commission's Secretary's Bureau, and served on the Full Service List.

On March 29, 2010, Duquesne Light filed a Request to Present Evidence in the Application of Trans-Allegheny Interstate Line Company at Docket Nos. A-110172, A-110172F0002, A-110172F0003, A-110172F0004, and G-00071229. In the March 29, 2010 Request to Present Evidence, Duquesne Light withdrew its support of the Amendment and Joint Petition for Settlement. Because of Duquesne Light's withdrawal of support for the Amendment and Joint Petition for Settlement, this TrAILCo proceeding and Duquesne Light's LON proceeding entered into a state of limbo.

By letter dated June 23, 2010, Duquesne Light **withdrew its request to present evidence and indicated that it fully supports the proposed settlement filed on July 13, 2009.** This letter was filed with the Commission's Secretary's Bureau and served on the Full Service List. No parties filed a response to this letter or requested to present evidence regarding the Amendment or Joint Petition for Settlement after being served with it.

On July 12, 2010, the undersigned issued an Interim Order Denying Request for Consolidation and Referring Case to the Commission's Bureau of Fixed Utility Services for Disposition in the Duquesne Light LON proceeding, Docket No. A-2010-2152048.

In the Order Adding West Penn Power Company as a Necessary Party and Setting Deadline for Written Responses Regarding the Presentation of Evidence issued on March 17, 2010, the undersigned advised the parties that "[i]n the event that no parties express an interest in presenting additional evidence related to the Amendment, the undersigned ALJ intends to close

the record and issue a Recommended Decision on Remand which addresses the Joint Petition for Settlement filed in this proceeding.” In accordance with that Order, on August 10, 2010 the undersigned issued an Interim Order Closing the Evidentiary Record for Amended Applications. This matter on remand is now ripe for disposition.

II. DISCUSSION

This remanded or stayed proceeding is procedurally complex. In an effort to clarify matters, this discussion will be divided into three main sections. The first section discussed below will be an introductory section addressing the five applications and the Commission’s Order entered on December 12, 2008 staying these applications with respect to the Prexy Facilities. Following the introduction will be a discussion of the Joint Petition for Settlement. This section will be discussed in the following three subsections: Amendment Procedure; Terms of the Joint Petition for Settlement; and Statements in Support. Lastly, a Recommendation section will be provided.

A. Introduction

At the public meeting held on November 13, 2008 the Commission adopted an Opinion and Order that was entered on December 12, 2008. The Commission’s Order included the following:

1. That the Partial Settlement Agreement among Trans-Allegheny Interstate Line Company, West Penn Power Company, and the Greene County Board of Commissioners, is approved. **Consideration of the Applications with regard to the Prexy Facilities is stayed pending the outcome of the voluntary collaborative set forth in the Partial Settlement.**
2. That Trans-Allegheny Interstate Line Company shall convene a voluntary collaborative with all interested persons (regardless of participation in this proceeding) to explore alternatives to the proposal for the Prexy Facilities consistent with this Opinion and Order and the Partial

Settlement Agreement approved in Ordering Paragraph 1, above.

3. That the Motion for Partial Stay of Proceedings and Request for Expedited Consideration, filed by Trans-Allegheny Interstate Line Company, is deemed moot, consistent with this Opinion and Order.

4. That the Exceptions filed by Trans-Allegheny Interstate Line Company regarding the Pennsylvania 502 Junction Facilities are granted in part and denied in part, consistent with this Opinion and Order.

5. That the Exceptions filed by Trans-Allegheny Interstate Line Company regarding the Prexy Facilities are stayed, consistent with this Opinion and Order.

6. That the Recommended Decision of Administrative Law Judges Mark A. Hoyer and Michael A. Nemecek, issued on August 21, 2008, is modified, consistent with this Opinion and Order.

7. That Trans-Allegheny Interstate Line Company's Application for a Certificate of Public Convenience is granted with respect to the Pennsylvania 502 Junction Facilities, subject to the conditions set forth in Section III.C. of this Opinion and Order and contained in the Exceptions of Trans-Allegheny Interstate Line Company, Appendix A, Items 1, 2 and 4.

8. That Trans-Allegheny Interstate Line Company's Application for authorization and certification to locate, construct, operate and maintain certain high voltage electric transmission lines and associated substation facilities is granted with respect to the Pennsylvania 502 Junction Facilities, subject to the conditions set forth in this Opinion and Order and contained in the Exceptions of Trans-Allegheny Interstate Line Company, Appendix A, Items 6 and 11.

9. That Trans-Allegheny Interstate Line Company's Application for eminent domain authority is granted with respect to the Pennsylvania 502 Junction Facilities, consistent with this Opinion and Order, subject to the conditions set forth in this Opinion and Order.

10. That Trans-Allegheny Interstate Line Company's Application for exemption from local zoning regulation is granted with respect to the Pennsylvania 502 Junction Facilities, consistent with this Opinion and Order.

11. That the four affiliated interest agreements submitted for Commission approval by Trans-Allegheny Interstate Line Company are approved, subject to the conditions set forth in this Opinion and Order.

(emphasis added).

There were five applications initially filed by TrAILCo. TrAILCo's filing included the following: (1) an Application for a certificate of public convenience to offer, render, furnish or supply electrical transmission service in the Commonwealth of Pennsylvania, (2) an Application for authorization to locate, construct, operate and maintain certain high-voltage electric substation facilities, (3) an Application for authority to exercise the power of eminent domain for the construction and installation of aerial electrical transmission facilities along the proposed transmission line routes in Pennsylvania, (4) an Application for approval of an exemption from municipal zoning regulations with respect to the construction of buildings, and (5) an Application for approval of certain related affiliated interest arrangements. The Commission's Order entered December 12, 2008 addressed the five applications with respect to the 502 Junction Facilities and, in paragraph no. 2 recited above, provided that "[c]onsideration of the Applications with respect to the Prexy Facilities is stayed pending the outcome of the voluntary collaborative set forth in the Partial Settlement."

Although the Commission stayed all five Applications with respect to the Prexy Facilities, the undersigned finds that the Order, in fact, approve two of the five applications.

TrAILCo applied for a certificate of public convenience to offer, render, furnish or supply electrical transmission service in the Commonwealth of Pennsylvania. The Commission granted this application in the December 12, 2008 Order. In ordering paragraph no. 7, the Commission stated that, "...Trans-Allegheny Interstate Line Company's Application for a Certificate of Public Convenience is granted with respect to the Pennsylvania 502 Junction

Facilities, subject to the conditions set forth in Section III.C. of this Opinion and Order and contained in the Exceptions of Trans-Allegheny Interstate Line Company, Appendix A, Items 1, 2 and 4.”

The undersigned and Administrative Law Judge Michael A. Nemeč thoroughly discussed TrAILCo’s application for a certificate of public convenience in the Recommended Decision issued on August 15, 2008 and recommended that the application be denied. *See* Recommended Decision, pp. 57-78. We discussed, *inter alia*, the appropriate legal standard and definition of “public utility;” TrAILCo’s fitness, technical capacity, financial ability and legal fitness; and our concerns based upon the evidence of record. The Commission granted TrAILCo’s application for a certificate of public convenience. No additional or new evidence pertaining to TrAILCo’s application for a certificate of public convenience has been offered or admitted into evidence since the Commission’s Order was entered on December 12, 2008. The undersigned concludes that TrAILCo’s application for a certificate of public convenience to offer, render, furnish or supply electrical transmission service in the Commonwealth of Pennsylvania was granted in the Commission’s Order. The undersigned further concludes that the Commission’s Order was not intended to grant a certificate of public convenience to TrAILCo for one and only one specific project...the Pennsylvania 502 Junction Facilities. This application has been ruled upon by the Commission and will not be discussed further in this Recommended Decision on Remand. No further recommendation with respect to this application is necessary here.

In similar fashion, TrAILCo also filed an Application for approval of certain related affiliated interest arrangements, namely, a Memorandum of Understanding (TrAILCo Exhibit MAM-1), a Service Agreement (TrAILCo Exhibit MAM-2), a Capital Contribution Agreement (TrAILCo Exhibit MAM-3), and a Tax Allocation Agreement (TrAILCo Exhibit MAM-4). These various agreements were discussed in succession in the Recommended Decision. *See* Recommended Decision, pp. 215-230. Administrative Law Judge Nemeč and the undersigned recommended that the Commission deny approval of all four agreements. The Commission approved all four affiliated interest agreements subject to the conditions set forth in the Opinion and Order entered on December 12, 2008. Since the entry of that Order, no

additional or new evidence has been entered into the record regarding the Application for approval of certain related affiliated interest arrangements. Like the application for a certificate of public convenience discussed above, this Application has been ruled upon by the Commission and will not be discussed further in this Recommended Decision on Remand. No further recommendation with respect to this application is necessary here.

Both the Application for a certificate of public convenience to offer, render, furnish or supply electrical transmission service in the Commonwealth of Pennsylvania and the Application for approval of certain related affiliated interest arrangements were granted by the Commission in the Opinion and Order entered on December 12, 2008. The only applications pertaining to the Prexy Facilities that were, in reality, stayed by the Commission's Order on December 12, 2008 were the Application for authorization to locate, construct, operate and maintain certain high-voltage electric substation facilities; the Application for authority to exercise the power of eminent domain for the construction and installation of aerial electrical transmission facilities along the proposed transmission line routes in Pennsylvania; and the Application for approval of an exemption from municipal zoning regulations with respect to the construction of buildings.

B. Joint Petition for Settlement

1. Amendment Procedure

The Commission's Opinion and Order entered on December 12, 2008 did not specifically state that TrAILCo is permitted thereby to amend its application(s) with respect to the Prexy Facilities after engaging in the collaborative process, however, to find otherwise would not make logical sense. By necessary implication, the Commission permitted TrAILCo to amend the applications. If the Commission's Opinion and Order did not permit TrAILCo to amend its application(s) regarding the proposed Prexy Facilities, the collaborative process would have been a futile endeavor, not only for TrAILCo, but for all the other participants as well. The undersigned concluded that the Commission's Opinion and Order permitted TrAILCo to amend its application(s) with respect to the Prexy Facilities. In an Order issued August 25, 2009

(“Reopening Order”), the undersigned reopened this proceeding and ordered that TrAILCo be permitted to file an amendment to its application(s).¹⁰

The Commission’s siting regulations are clear. *See* 52 Pa. Code §57.71 *et seq.* Section 57.75, entitled, “Hearing and notice,” provides that,

Upon the Order of the Commission or the presiding officer, the applicant may amend its application prior to the closing of the record, if every party, utility, agency or municipality affected by the amendment is given reasonable notice thereof and an opportunity to present evidence with respect to the amendment.

52 Pa. Code §57.75(f).

The Joint Petition for Settlement, which will be discussed in detail in the subsection to follow, provides that,

Consistent with any approval by the Commission of this Settlement as submitted, TrAILCo shall have been deemed to have amended its application in this proceeding by the substitution of solution S5 for the proposed Prexy Facilities. TrAILCo will make necessary changes to the application as directed by the Commission to the extent consistent with this Joint Petition.

Joint Petition for Settlement, p. 5, ¶7e.

Despite TrAILCo’s desire to have its applications deemed amended by the Joint Petition for Settlement, the undersigned concluded that due process required TrAILCo to amend its applications in a pleading and make any and all changes thereto on its own. The undersigned required that any amendment be served on all parties of record. In accordance with the Commission’s regulations, parties were permitted to file answers to any amended applications.

The undersigned further required that a Notice to Plead be attached to the front of any amendment filed and served by TrAILCo. Given the great number of parties to this case and

¹⁰ The Reopening Order also added Duquesne Light Company to this proceeding as an indispensable party.

the need to preliminarily measure the level of interest parties had in presenting evidence regarding any amendment, the undersigned concluded that a Notice to Plead was necessary to determine how to manage this case moving forward, so as to create a complete record and provide proper notice and an opportunity to present evidence, in some reasonable fashion, to all parties. This Notice to Plead requirement is consistent with the Commission Opinion and Order of December 12, 2008, which provides:

In approving the Partial Settlement Agreement, the Commission is mindful of the due process concerns of the Parties. The participation, or lack thereof, of any interested person in the collaborative or the instant proceeding will not affect that person's ability to participate in any continued, new or amended application proceeding related to the Prexy Facilities. To this end, the Office of Administrative Law Judge is encouraged to ensure that all interested Parties are provided the notice and opportunity to be heard as required under the law.

Opinion and Order entered December 12, 2008, pp. 11-12.

On October 13, 2009, TrAILCo filed with the Commission's Secretary's Bureau an Amendment and served it, along with the Joint Petition for Settlement and related documents required to be served by the Reopening Order. The documents were served on Duquesne Light Company ("Duquesne Light") and on the "Limited Service Party List" which is, in effect, the total service list for this proceeding.¹¹ A Notice to Plead was attached to the Amendment. In the Amendment, TrAILCo avers that, pursuant to its obligations under the Joint Petition for Settlement, Duquesne Light will submit a Letter of Notification ("LON") to the Commission requesting authorization to make transmission infrastructure improvements (i.e., reconductoring) as part of the transmission infrastructure alternative to the Prexy Facilities.¹² *See* 52 Pa. Code §57.72(d). TrAILCo requested that the Amendment, the related future Duquesne Light LON

¹¹ In the Second Prehearing Order issued on August 27, 2007, it was ordered that the parties on the "Full Service List" are those parties, represented by counsel, who appeared at the prehearing conference, and those parties who requested that they be added to the Full Service List by mail on or before August 15, 2007. The Full Service List was attached to the Second Prehearing Order as Appendix "A." Those parties not electing to be included in the Full Service List were placed on the "Limited Service Party List."

¹² In the Amendment, TrAILCo requested the joinder of West Penn Power Company as a necessary party to the TrAILCo proceeding. No parties served with the Amendment objected to the request and West Penn was joined as a party.

filing and the Joint Petition for Settlement be consolidated for hearing and final disposition in the Amendment it filed.

On January 8, 2010, Duquesne Light filed a LON at Docket No. A-2010-2152048. In the LON filing, Duquesne Light requested that its LON filing be consolidated with this TrAILCo proceeding.

TrAILCo, West Penn Power Company and Duquesne Light subsequently withdrew their respective requests that the Duquesne Light's LON proceeding and this TrAILCo proceeding be consolidated. Duquesne Light, which had initially indicated it wished to present evidence in this TrAILCo proceeding, withdrew said request in June 2010. By Interim Order issued in Duquesne Light's LON proceeding at Docket No. A-2010-2152048, the LON proceeding was referred to the Commission's Bureau of Fixed Utility Services.

No other parties to this TrAILCo proceeding expressed a desire to present evidence after being served with TrAILCo's Amendment, the Joint Petition for Settlement and related documents. Since Duquesne Light's request to present evidence was withdrawn, there is no need to hold further evidentiary hearings regarding TrAILCo's Amendment and the Joint Petition for Settlement. The rights of the parties to participate in this proceeding have been protected. The Amendment and Settlement are now ripe for consideration and recommendation.

2. Terms of the Joint Petition for Settlement

On July 13, 2009, TrAILCo, the OTS, OCA, ECC, the Washington County Board of Commissioners, the Greene County Board of Commissioners, Susan Foster Blank, Debra Bandel, James R. Blockinger, Representative H. William DeWeese and Arthur Brogley (collectively, "Settlement Petitioners") submitted a Joint Petition for Settlement settling all issues in this proceeding regarding the proposed Prexy Facilities and describing in detail a transmission infrastructure alternative that would avoid construction of the Prexy Facilities. TrAILCo filed an Amendment to its applications as directed in the Reopening Order issued on August 25, 2009 to facilitate the disposition of the Joint Petition for Settlement. Amendment to Application, p. 4.

The Settlement Petitioners reached agreement for the purposes of settling the issues in this proceeding relating to the proposed Prexy Facilities after engaging in the Collaborative process. The terms and conditions of Settlement are as follows:

a. The Collaborative Participants agreed to the following Statement of Consensus:¹³

The duly recognized members of the Collaborative agreed that there appear to be reliability issues in the area surrounding the proposed Prexy Facilities that require some level of infrastructure upgrade in the near future to ensure reliable electric service.

The Collaborative has been informed by TrAILCo and West Penn that they have verified that there will be violations of Reliability Standards developed by NERC and approved by FERC beginning as early as June 1, 2010 if the Prexy Facilities or a transmission infrastructure alternative to such facilities are not installed.

The transmission infrastructure alternative that the Collaborative agrees would be the appropriate solution to these reliability issues is S5. In brief, solution S5 as presented to and agreed to by the members of the Collaborative involves a split in the Woodville-Elrama line at the Peters-Bethel crossover, connection of Bethel to Elrama and connection of Peters to Woodville with reconductoring of Woodville-Collier and installation of capacitors at a number of locations at already existing substations.

b. Solution S5 is described in detail in Attachment B and a diagram, labeled as “S5 Diagram,” showing solution S5 is provided in Attachment B. This diagram is deemed an integral part of the Statement of Consensus.

c. Joint Petitioners represent that the Peters-Bethel crossover is owned by West Penn Power Company (“West Penn”). The Woodville-Elrama and the Woodville-Collier lines are owned by Duquesne Light Company (“Duquesne”). At the Peters-Bethel crossover, West Penn will install and own a new structure¹⁴ on existing right-of-way controlled by West Penn at the location where the Woodville-Elrama 138 kV lines cross the Peters-Bethel

¹³ The definition of “consensus” agreed to by the Collaborative Participants is described in Attachment A to the Joint Petition for Settlement. This Statement of Consensus was executed by Collaborative Participants who were not active parties and was attached as Attachment C to the Joint Petition for Settlement. West Penn Power Company and Duquesne Light Company have been subsequently added as parties to this proceeding.

¹⁴ West Penn anticipates that the structure will be a single pole comprised of Cor-Ten steel.

Park 138 kV line owned by West Penn. This location is near where the Montour Run trail crosses Limestone Drive in Bethel Park. The structure will be located east of the Montour Run trail and south of Limestone Drive. At this new structure one of the Woodville-Elrama 138 kV lines and the Peters-Bethel Park 138 kV line will be reconnected. The other Woodville-Elrama 138 kV line will be unaffected. The interconnection will create a Woodville-Peters 138 kV line and an Elrama-Bethel Park 138 kV line. West Penn and Duquesne have agreed to be individually responsible for completing the necessary system protection and control work at its substations due to the reconnected lines. Both have also agreed to be responsible for installing metering at its substations to accurately measure the electric power and energy delivered at these new interconnection points. In addition, Duquesne will reconductor both of its Collier-Woodville 138 kV lines utilizing a high-temperature, low-sag conductor on the existing double-circuit lattice towers. The Collier-Woodville lines are approximately 2.5 miles in length. Finally, West Penn will install capacitors at five of its existing substations: North Fayette, South Fayette, Houston, Manifold and Smith.

d. The Joint Petitioners represent that West Penn and Duquesne were active Participants in the Collaborative, have agreed to the Statement of Consensus set forth above and have agreed to perform their individual functions to implement solution S5 if this Joint Petition for Settlement is approved by the Commission as submitted. (*See* footnote 13.)

e. Consistent with any approval by the Commission of this Settlement as submitted, TrAILCo shall have been deemed to have amended its application in this proceeding by the substitution of solution S5 for the proposed Prexy Facilities. TrAILCo will make necessary changes to the application as directed by the Commission to the extent consistent with this Joint Petition.

f. Consistent with any approval by the Commission of this Settlement as submitted, West Penn and Duquesne individually represent that each shall comply with all applicable laws and Commission regulations in the implementation of solution S5.

Joint Petition for Settlement, pp. 3-4.

3. Party Statements in Support

Statements in Support of the Joint Petition for Settlement were filed by TrAILCo, the OTS, OCA, ECC, Susan Foster Blank and Representative H. William DeWeese. Collaborative Participant Statements in Support were filed by Senator J. Barry Stout and West Penn Power Company (West Penn has since been added as a party to this proceeding).

a. TrAILCo's Statement in Support ¹⁵

According to TrAILCo, the centerpiece of the Settlement is the implementation of solution S5. Solution S5 was determined and agreed to by the Settlement Petitioners, through the Collaborative process managed and facilitated by The Keystone Center (“Keystone”), as summarized in Attachment A to the Joint Petition for Settlement and with technical advice provided by Whitefield Russell Associates (“WRA”) as summarized in Attachment B to the Joint Petition for Settlement.¹⁶ TrAILCo Statement in Support, p. 4.

TrAILCO claims that both TrAILCo and Allegheny Power agree that the near-term reliability concerns that formed the need for the proposed Prexy Facilities were anticipated thermal and voltage violations of the North American Electric Reliability Corporation (“NERC”) Reliability Standards in the area of concern identified on page 4 of Attachment B to the Joint Petition for Settlement.¹⁷ According to TrAILCo, the area of concern consists of Allegheny Power’s 138 kV transmission system in the Washington County and southern Allegheny County served by the following four 138 kV transmission lines: Wylie Ridge-Smith, Gordon-Manifold,

¹⁵ Allegheny Power filed a Collaborative Participant Statement Supporting Settlement in which it concurred with the Statement in Support of Settlement filed by TrAILCo. In addition, Allegheny Power agreed in its Collaborative Participant Statement Supporting Settlement to implement its obligations with regard to solution S5 as described in the Settlement if approved by the Commission as submitted. *See* Collaborative Participant Statement Supporting Settlement of Allegheny Power, p. 1. West Penn Power Company was subsequently added to this proceeding as a party.

¹⁶ Keystone and WRA were selected to provide services to the Collaborative by agreement of the Collaborative Participants and both organizations functioned independently of the participants, according to TrAILCo.

¹⁷ According to TrAILCo, the anticipated thermal and voltage violations are four electrical occurrences described in the testimony of TrAILCo witness Lawrence A. Hozempa. TrAILCo St. No. 2, TrAILCo Ex. LAH-3.

Charleroi-Union Junction-Peters, and Windsor-Buffalo Junction-Cecil. TrAILCo Statement in Support, p. 5.

TrAILCo asserts that both TrAILCo and Allegheny Power have verified the accuracy of the analyses and findings of WRA. Both agree that solution S5 resolves the four anticipated NERC Reliability Standards violations. Allegheny Power has submitted solution S5 to PJM Interconnection, L.L.C. (“PJM”) for approval. According to Allegheny Power, PJM has accepted solution S5, subject to final approval. TrAILCo Statement in Support, p. 5.

b. The OTS Statement in Support

The OTS agrees that the Settlement terms and conditions are in the public interest and that solution S5 is the best method to resolve the NERC Reliability Standard violations identified and agreed to in the Collaborative process. The OTS further asserts as follows with respect to its support for the Joint Petition for Settlement:

- a. the technical solution agreed to and embodied in the settlement is fully supported by Whitfield Russell Associates’ Technical Report for the Collaborative provided with the Joint Petition for Settlement with Attachment B;
- b. the settlement includes the full text of the “Statement of Consensus,” which provides the Commission with a clear understanding of the perspectives and conclusions of the participants to the collaborative;
- c. The settlement includes assurances from both West Penn Power Company and Duquesne Light Company that they will be individually responsible for completing the necessary system protection and control work at the substations due to the reconnected lines and for installing meters at its substations to accurately measure the electric power and energy delivered at the new interconnection points;
- d. The settlement avoids the necessity of further administrative and possible appellate court proceedings,

that would have been at substantial cost to the involved parties and thereby conserves time and expenses for all involved;

- e. The settlement avoids the construction of the much more expensive Prexy Facilities and instead provides a solution that is both reasonable and cost effective;
- f. The proposed S5 solution represents an infrastructure upgrade that can be made in the very near future to ensure reliable electric service;
- g. The proposed S5 solution will resolve all referenced violations of the Reliability Standards developed by NERC and approved by FERC expected to begin to occur as early as June 1, 2010, here in the Commonwealth.

OTS Statement in Support, pp. 4-5.

c. OCA's Statement in Support

The OCA concisely presented its position that the proposed Joint Petition for Settlement is in the public interest and went on to discuss in detail the collaborative process utilized. The OCA finds the terms and conditions of the Settlement to be in the public interest because the Settlement:

- Eliminates the need to build the proposed Prexy Facilities, including 37 miles of 500 kV transmission lines through Greene and Washington Counties, the 500 kV Prexy Substation and 15 miles of new 138 kV transmission lines;
- Proposes an infrastructure upgrade that is projected to resolve the identified reliability concerns in Washington County for at least the next 10 years;
- Proposes an infrastructure upgrade that is estimated to cost \$11.6 million, as compared to the approximate \$213 million estimate needed to build the Prexy Facilities;
- Proposes an infrastructure upgrade that primarily involves installing one new steel monopole on an existing utility right-of-way; and

- Proposes an infrastructure upgrade that maximizes the use of existing utility infrastructure, and in turn imposes virtually no impact on property owners near the solution site.

OCA Statement in Support, p 2.

d. ECC's Statement in Support

With respect to the size of the proposed Prexy Facilities and TrAILCo's consideration of alternatives to those facilities, ECC raised the following concerns in the underlying proceeding in this case:

- (1) TrAILCo did not consider lower voltage solutions to the alleged issues (i.e., a fix that did not include 500 kV lines and a new substation);
- (2) if there was a problem getting nearby generation from plants such as Mitchell or Elrama into the area of concern, why didn't the Company consider a short run 138 kV line, or another "feed", to get power into the area?;
- (3) would the elimination of T-junctions at Buffalo or Union Junction eliminate or reduce the need for additional facilities?;
- (4) TrAILCo did not study non-transmission alternatives; and
- (5) TrAILCo did not evaluate reactive reinforcements as a solution to voltage and loading problems, as well as other reinforcements such as reconductoring.

ECC Statement in Support, p. 7.

ECC claims that the Joint Petition for Settlement, reached after the parties engaged in the collaborative process, addresses all of its concerns. ECC submits that the terms and conditions of the Settlement are in the public interest and should be approved.

e. Representative H. William DeWeese's Statement in Support

Representative H. William DeWeese submits that the terms and conditions of the Joint Petition for Settlement are in the public interest and represent a fair, just, reasonable and

equitable balance of the interests of TrAILCo, the respective customers and the residents of Washington County.

Representative H. William DeWeese agrees that the Settlement is in the public interest and that adoption of it will have an affirmative public benefit for a number of reasons, including the following:

- a. the studies performed by an independent contractor, Whitefield Russell Associates, and presented to the collaborative, show that there appears to be a reliability issue in Washington County;
- b. the proposed settlement plan (Solution S5), based on current load forecasts, will solve the violations of the Reliability Standards for at least 10 years;
- c. Solution S5 requires erecting minimal new equipment and uses already existing power lines and poles to a great degree;
- d. Solution S5 does not require the taking of any additional land through eminent domain because a right-of-way already exists at the proposed site, which is along a state managed Rails-to-Trails bike route;
- e. there are no health risks associated with Solution S5 as it uses already existing power lines and reconnects them in a different way, without adding any new power lines;
- f. Solution S5 can be completed at a relatively low cost to ratepayers.

Representative H. William DeWeese Statement in Support of Joint Petition for Settlement, p. 3.

f. Susan Foster Blank's Statement in Support of Settlement

In her Statement in Support of the Joint Petition for Settlement, Susan Foster Blank states that, “[t]he proposed solution greatly minimizes and/or eliminates ... adverse impacts to Washington County.” Statement in Support of the Joint Petition for Settlement of Susan Foster Blank, p. 1.

C. Recommendation

Solution S5, which emerged during the Collaborative process and became the basis for the Joint Petition for Settlement eliminates the need to build the proposed Prexy Facilities, including 37 miles of 500 kV transmission lines through Greene and Washington Counties, the 500 kV Prexy Substation and 15 miles of new 138 kV transmission lines. The Settlement Petitioners contend that the proposed S5 Solution is projected to resolve the reliability concerns in Washington County identified during the Collaborative process for at least the next 10 years. The S5 Solution is estimated to cost \$11.6 million, as compared to the approximate \$213 million estimate needed to build the Prexy Facilities. The S5 Solution upgrade primarily involves installing one new steel monopole on an existing utility right-of-way. It maximizes the use of existing utility infrastructure, and in turn imposes virtually no impact on property owners near the solution site.

On January 8, 2010, Duquesne Light filed a LON with the Commission's Secretary's Bureau at Docket No. A-2010-2152048 and served it. The LON requested, *inter alia*, Commission approval to reconductor and increase the capacity of 2.21 miles of a double circuit 138 kilovolt ("kV") transmission line connecting the Duquesne Light Collier Substation to the Duquesne Light Woodville Substation. This LON request was filed to effectuate Solution S5 in this TrAILCo proceeding.

The undersigned finds that the Joint Petition for Settlement is in the public interest for the foregoing reasons. In addition, the Settlement saves the parties and the Commission the time and expense of further litigation. The parties have avoided the need to prepare for and participate in hearings on remand, prepare briefs, reply briefs, exceptions, replies to exceptions and possible additional appellate litigation. The Settlement avoids construction of the Prexy Facilities. The undersigned recommends that the Amendment to Application encompassing the Joint Petition for Settlement be approved by the Commission.

III. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. §§501, *et seq.*

2. The Joint Petition for Settlement is in the public interest.

IV. RECOMMENDED ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Amendment to Application filed with the Commission's Secretary's Bureau on October 13, 2009 be granted.

2. That the Joint Petition for Settlement submitted at Docket Nos. A-110172, A-110172F0002, A-110172F0003, A-110172F0004, and G-00071229, including all terms and conditions stated therein, be approved without modification.

Date: October 8, 2010

Mark A. Hoyer
Administrative Law Judge

- a) *Application of Trans-Allegheny Interstate Line Company.*
A-110172, A-110172F0002, A-110172F0003, A-110172F0004 and G-00071229
- b) On December 12, 2008, the Commission issued an Opinion and Order which, among other things, stayed consideration of the above-docketed Applications with regard to the Prexy Facilities pending the outcome of a voluntary collaborative process. A Joint Petition for Settlement was filed after the collaborative process occurred. ALJ Hoyer issued a Reopening Order on August 25, 2009. TrAILCo filed an Amendment to Application that avoids construction of the Prexy Facilities on October 13, 2009. The record was closed by Interim Order issued on August 10, 2010.
- c) ALJ Hoyer issued a Recommended Decision recommending that the Joint Petition for Settlement be approved and that the Amendment to Application be granted.