

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

FirstEnergy Service Co.

) **Docket No. ER09-1589-000**

**NOTICE OF INTERVENTION OF
THE MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to the Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.214 (2008), the Commission’s Notice of Filing of August 17, 2009, and the Commission’s August 31, 2009 Notice of Extension of Time, the Michigan Public Service Commission (“MPSC”) hereby submits its notice of intervention. In addition, as noted below, the MPSC supports the request of the Public Utilities Commission of Ohio (“PUC of Ohio”) for an extension of time, until October 23, 2009, to file comments. The MPSC states as follows.

I. DESCRIPTION OF THE FILING

On August 17, 2009, First Energy, on behalf of six of its affiliates: American Transmission Systems, Incorporated (“ATSI”), The Cleveland Electric Illuminating Company (“The Illuminating Company”), Ohio Edison Company (“Ohio Edison”), The Toledo Edison Company (“Toledo Edison”), Pennsylvania Power Company (“Penn Power”) and FirstEnergy Solutions Corp. (“Solutions”) requested that the Commission: 1) approve the termination of ATSI’s status as a transmission operator, owner and local balancing authority in the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”); and (2) make various findings regarding subsequent participation by ATSI and others in PJM Interconnection LLC (“PJM”) (collectively the “RTO Realignment”). Currently, FirstEnergy states that its operations are split between two regional transmission organizations (“RTOs”): PJM and the Midwest ISO.

In this instant filing, FirstEnergy proposes to realign its operations within a single RTO. FirstEnergy asserts that PJM is a better fit for the company and its customers. In its filing, FirstEnergy describes ATSI's network which consists of 32 electric system interconnections with PJM, but only three with the Midwest ISO, through the International Transmission Company ("ITC"). Transmittal Letter at 2. FirstEnergy further highlights PJM's analysis of ATSI's inclusion in PJM, which would result in a supposed reduction of annual system production costs across both RTOs by 0.08% or about \$26 million, and a supposed reduction of total annual congestion costs across both RTOs by 6.3%, or about \$91 million. *Id.* at 4. Moreover, FirstEnergy states that the realignment makes sense because it will allow FirstEnergy to take advantage of certain elements of PJM's market design that are well-suited to a retail access environment. *Id.*

In its filing, FirstEnergy, does, acknowledge the costs and issues that will need to be addressed with the RTO Realignment. These include: the exit fee to be paid to the Midwest ISO, its construction and payment obligations under the Midwest ISO Transmission Expansion Plan ("MTEP"), timing of participation in Reliability Pricing Model ("RPM") auctions, the transition period prior to full RPM participation and the applicability of PJM regional Transmission Expansion Plan projects (those projects have been approved by the PJM Board of Directors prior to the date when the ATSI Utilities integrate into PJM). *Id.* at 5.

II. NOTICE OF INTERVENTION

The MPSC is an agency of the State of Michigan created by 1939 Pub. Acts 3, Mich. Comp. Laws Ann. § 460.1 *et seq.* As the Michigan regulatory agency having jurisdiction and authority to control and regulate rates, charges, and conditions of service for the retail sale of electricity in the State, the MPSC is a "state commission" as defined in 16 U.S.C. § 796(15) and

18 C.F.R. § 1.101(k) (2008). Accordingly, the MPSC hereby provides its notice of intervention pursuant to 18 C.F.R. § 385.214(a)(2)(2008).

Copies of all pleadings and correspondence in the proceeding should be addressed to:

Michael A. Cox
Attorney General
Steven D. Hughey (P32203)
Patricia S. Barone (P29560)
Dept. of Attorney General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911
(517) 241-6680
hugheys@michigan.gov
baronep@michigan.gov

David D'Alessandro
Kelly A. Daly
M. Denyse Zosa
Stinson Morrison Hecker LLP
1150 18th Street, N.W.
Suite 800
Washington, DC 20036-3816
(202) 785-9100 (phone)
(202) 785-9163 (fax)
ddalessandro@stinson.com
kdaly@stinson.com
dzosa@stinson.com

On September 1, 2009, the PUC of Ohio requested an extension of time, until October 23, 2009, to file comments. The MPSC supports this request given the complexity of the issues that have been raised by FirstEnergy's filing.

III. CONCLUSION

As set forth more fully above, the MPSC hereby provides its notice of intervention in this proceeding and requests that the Commission extend the comment date to October 23, 2009.

Respectfully submitted,

**THE MICHIGAN PUBLIC SERVICE
COMMISSION**

MICHAEL A. COX
Attorney General

Steven D. Hughey (P32203)
Patricia S. Barone (P29560)
Assistant Attorneys General
Public Service Division
6545 Mercantile Way, Suite 15
Lansing, MI 48911
Telephone: (517) 241-6680
Fax: (517) 241-6678

And

/s/ David D'Alessandro

David D'Alessandro
Kelly A. Daly
M. Denyse Zosa
Special Assistant Attorneys General
Stinson Morrison Hecker LLP
1150 18th Street, N.W., Suite 800
Washington, DC 20036-3816
Telephone: (202) 785-9100
Fax: (202) 785-9163

Dated: September 11, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this day served, via electronic mail or first class mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 11th day of September, 2009.

/s/ M. Denyse Zosa

Document Content(s)

DZNotice of Intervention ER09-1589.PDF.....1-5