



17 North Second Street  
12th Floor  
Harrisburg, PA 17101-1601  
717-731-1970 Main  
717-731-1985 Main Fax  
www.postschell.com

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Anthony D. Kanagy

akanagy@postschell.com  
717-612-6034 Direct  
717-720-5387 Direct Fax  
File #: 166570

October 17, 2019

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Application of Transource Pennsylvania, LLC Filed Pursuant to 52 Pa. Code Chapter 57, Subchapter G, for Approval of the Siting and Construction of the 230 kV Transmission Line Associated with the Independence Energy Connection - East and West Projects in Portions of York and Franklin Counties, Pennsylvania Docket No. A-2017-2640195 & A-2017-2640200**

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

**Petition of Transource Pennsylvania, LLC for a finding that a building to shelter control equipment at the Furnace Run Substation in York County, Pennsylvania is reasonably necessary for the convenience or welfare of the public Docket No. P-2018-3001883**

**Application of Transource Pennsylvania, LLC for approval to acquire a certain portion of the lands of various landowners in York and Franklin Counties, Pennsylvania for the siting and construction of the 230 kV Transmission Lines associated with the Independence Energy Connection - East and West Projects is necessary or proper for the service, accommodation, convenience or safety of the public - Docket Nos. A-2018-3001881, et al.**

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Dear Secretary Chiavetta:

Rosemary Chiavetta, Secretary  
October 17, 2019  
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Enclosed for filing is the Joint Settlement Agreement between Transource Pennsylvania, LLC (“Transource PA”) and PPL Electric Utilities Corporation (“PPL Electric”) in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Transource PA notes that it is also concurrently filing Joint Partial Settlements with the York County Planning Commission (“YCPC”) and with Citizens to Stop Transource York County, Maple Lawn Farms, Barron Shaw and Shaw Orchards (collectively “York County Citizens”). Under the Settlements with the parties, Transource PA has agreed to file an amended application in the above-referenced proceeding to propose an alternative configuration for the East Portion of the Independence Energy Connection (“IEC”) Project in York County, Pennsylvania. The alternative configuration will primarily utilize existing rights-of-way and transmission infrastructure in York County. The alternative configuration is set forth in Appendix A to the Settlements with YCPC and York County Citizens.

Transource PA requests that the Administrative Law Judges schedule a telephone conference with the parties to discuss procedural issues going forward.

Respectfully submitted,



Anthony D. Kanagy

ADK/jl  
Enclosures

cc: Honorable Elizabeth Barnes  
Honorable Andrew M. Calvelli  
Certificate of Service



Transource<sup>®</sup> Energy, LLC  
1 Riverside Plaza  
Columbus, OH 43215  
transourceenergy.com

David Bonenberger  
Vice President, Transmission and Substations  
PPL Electric Utilities Corporation  
2 North Ninth Street  
Allentown, PA 18101

Dear Mr. Bonenberger:

This letter agreement ("Settlement Agreement") reflects the agreement between Transource Pennsylvania, LLC ("Transource PA") and PPL Electric Utilities Corporation ("PPL Electric") regarding the pending Applications at Docket Nos. A-2017-2640195 and A-2017-2640200 and the related Petitions at Docket Nos. P-2018-3001883 and P-2018-3001878 before the Pennsylvania Public Utility Commission ("Commission"). Concerning a request to the Commission for approval of a settlement granting Transource PA's Application for approval of the Independence Energy Connection ("IEC") Project (a component of PJM's Project 9A), reconfigured as described in Paragraph 1 below, and related Petitions, PPL Electric and Transource PA hereby agree as follows:

1. The reconfigured East segment of the IEC Project ("Project") is as follows:

a. PPL Electric will reroute the existing Manor-Graceton 230 kV line from both Manor and Graceton to terminate in Transource PA's Furnace Run Substation, creating a Furnace Run-Manor 230 kV line and a Furnace Run - Graceton #1 230kV line.

b. PPL Electric will construct a new Furnace Run - Graceton #2 230kV circuit by:

i. Constructing a new 230kV line from Transource PA's Furnace Run station to the intersection of the current PPL Electric Manor-Graceton 230kV line.

ii. Adding a new line, consisting of new arms, conductors and necessary hardware, to the open positions on the existing towers on the current Manor -Graceton 230kV line from the Manor - Graceton 230kV intersection point south to Maryland border.

iii. The conductors for the new Furnace Run-Manor, Furnace Run - Graceton #1 and Furnace Run - Graceton #2 230kV lines will be similar those used by PPL Electric when it rebuilt the Conastone-Otter Creek and Graceton Manor 230 kV lines -conductor with a summer normal rating of 1626 Amps (647 MVA @ 230 kV) and summer emergency rating of 2013 Amps (801 MVA @ 230 kV).

## EXECUTION VERSION

- c. PPL Electric will use and expand as required its existing right-of-way for the portion of its new transmission lines from Transource PA's Furnace Run substation to the location of the existing Manor-Graceton transmission line.
- d. PPL Electric will reroute the Conastone-Otter Creek 230 kV line from both Otter Creek and Conastone to terminate in Transource PA's Furnace Run Substation, creating a Furnace Run-Otter Creek 230 kV line and a Furnace – Run Conastone #1 230kV circuit.
- e. PPL Electric will construct a new Furnace Run-Conastone #2 230 kV line by:
  - i. Constructing a new 230kV line from Transource's Furnace Run station to the intersection of the current Otter Creek - Conastone 230kV line.
  - ii. Adding a new line, consisting of new arms, conductors and necessary hardware, to the open positions on the existing towers on the current Otter Creek – Conastone 230kV line from the Otter Creek – Conastone 230kV intersection point south to Maryland border.
  - iii. The conductors for the new PPL Electric's Furnace Run – Otter creek, Furnace Run-Conastone #1 and Furnace Run – Conastone #2 230kV lines will be similar to those used by PPL Electric when it rebuilt the Conastone-Otter Creek and Graceton Manor 230 kV lines –conductor with a summer normal rating of 1626 Amps (647 MVA @ 230 kV) and summer emergency rating of 2013 Amps (801 MVA @ 230 kV).
  - iv. PPL Electric will use and expand as required its existing right-of-way for the portion of its new transmission lines from Transource PA's Furnace Run substation to the location of the existing Conastone-Otter Creek transmission line.
- f. Transource PA will modify the initial Furnace Run station configuration to accommodate the addition of a third 500/230kV transformer and terminate the six 230kV lines in the station.

2. With the exception of the Furnace Run Substation (which will be constructed, owned, and operated by Transource PA), PPL Electric will construct, own, and operate the reconfigured 230kV lines of the Project that are located in Pennsylvania, as described above. Transource PA will construct, own, and operate the Furnace Run Substation and all portions of the IEC West Project that are located in Pennsylvania.

## EXECUTION VERSION

3. PPL Electric shall discontinue any and all current or future opposition to the siting, design, permitting and/or construction of the Project, either directly or indirectly in any and all related proceedings, permitting processes, or any other forums. PPL Electric and Transource PA shall mutually cooperate in the siting and construction of said Project.

4. PPL Electric and Transource PA shall perform all work in accordance with the scope of work described in paragraph 1 above and fully support the Commission's approval of this Settlement Agreement and the granting of Transource PA and PPL Electric's Applications and related Petitions for the siting and construction of the Project, and will file statements and/or testimony in support of the Settlement Agreement with the Commission.

5. PPL Electric and Transource PA will perform all work necessary to file a joint amended application in support of the Project as described in paragraph 1 above by January 31, 2020, including, but not limited to, requesting leave to file a joint amended application pursuant to 52 Pa Code § 5.91.

6. Transource PA and PPL Electric will provide notice of the amended application as required by the Commission's regulations at 52 Pa Code § 57.74 and will request that a prehearing conference be held within 30 days of the filing of the amended application.

7. PPL Electric and Transource PA shall seek all approvals necessary to construct the Project, for which each party is responsible.

8. Transource PA and PPL Electric will jointly request that PJM assign PPL Electric a Baseline project number(s) ("B Number") for PPL Electric's portion of the Project and with a corresponding Construction Responsibility Letter from PJM to PPL Electric upon obtaining approval from the Commission to construct the Project.

9. This Settlement Agreement shall terminate upon the occurrence of any of the following events: a) there has been a final and unappealable denial of the applications and petitions to site and construct the Project by the Commission; b) PJM has provided notice that it will not, or cannot provide PPL Electric a B Number and corresponding Construction Responsibility Letter for its portion of the Project; or c) the Project has been constructed and put in service.

10. Transource PA shall reimburse PPL Electric for all reasonable costs prudently incurred by PPL Electric and which were approved in advance, in writing, by Transource PA in pursuing approval of the applications and petitions for the Project, including, but not limited to, internal costs of PPL Electric charged to the Project (collectively "Reimbursable Costs"). Transource PA's approval of the Reimbursable Costs shall not be unreasonably withheld, and PPL Electric shall be permitted to submit an overall project budget for approval to satisfy its obligations in this Paragraph 10. In the event that Transource PA does not approve any Reimbursable Cost PPL Electric shall have the option to terminate this Settlement Agreement. Within one (1) year of Transource PA's above-referenced approval in advance, in writing, of such costs, PPL Electric shall submit to Transource PA an invoice for the Reimbursable Costs. Transource PA shall pay PPL Electric within ninety (90) days of receiving the invoice for the

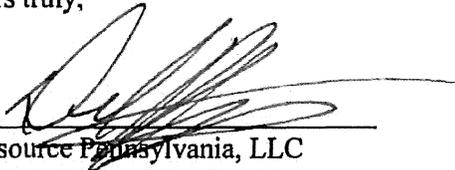
**EXECUTION VERSION**

Reimbursable Costs. The amount due to PPL Electric pursuant to this paragraph 10 shall be reduced by any costs and expenses incurred by PPL Electric in pursuing approvals under this Settlement Agreement that PPL Electric designates, in writing, as able to be placed into PPL Electric's rate base or otherwise recoverable through PPL Electric's FERC-approved formula rates, regardless of whether the amounts are in fact placed into PPL Electric's rate base or recovered through PPL Electric's FERC-approved formula rates.

11. Prior to the Settlement Agreement being terminated PPL Electric agrees not to seek approval for any other project related to addressing congestion on the AP South Interface and related constrained facilities, pending the Commission's approval of this Settlement Agreement and the granting of Transource PA's and PPL Electric's Applications to site and construct the Project.

12. At any time prior to the Settlement Agreement being terminated, PPL Electric agrees to no longer pursue, support, or advocate for any pending proposal in the current PJM RTEP Window addressing congestion on the AP South Interface and related constraints facilities, including the project submitted in the 2018/2019 window identified as HL\_511.

Yours truly,



Transource Pennsylvania, LLC  
Daniel J. Rogier, Vice President

(Duly authorized to enter into this Settlement Agreement on behalf of Transource Pennsylvania, LLC)

Countersigned:

PPL Electric Utilities Corporation accepts the terms of this Settlement Agreement.



PPL Electric Utilities Corporation  
David Bonenberger, Vice President

(Duly authorized to enter into this Settlement Agreement on behalf of PPL Electric Utilities Corporation)

**CERTIFICATE OF SERVICE**

**Docket Nos. A-2017-2640195 & A-2017-2640200, et al.**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

**VIA E-MAIL & FIRST CLASS MAIL**

Dianne E. Dusman, Esquire  
Darryl Lawrence, Esquire  
Phillip D. Demanchick, Esquire  
David T. Evrard, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923

Sharon E. Webb, Esquire  
Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101

Romulo L. Diaz, Jr., Esquire  
Jack R. Garfinkle, Esquire  
Jennedy S. Johnson, Esquire  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19103  
*PECO*

Jordan B. Yeager, Esquire  
Mark L. Freed, Esquire  
Joanna A. Waldron, Esquire  
Curtin & Heefner LLP  
2005 S. Easton Road, Suite 100  
Doylestown, PA 18901  
*Stop Transource Franklin County*

Teresa K. Harrold, Esquire  
FirstEnergy Service Company  
2800 Pottsville Pike  
PO Box 16001  
Reading, PA 19612-6001  
*MAIT*

Kimberly A. Klock, Esquire  
Michael J. Shafer, Esquire  
PPL Services Corporation  
Two North Ninth Street  
Allentown, PA 18101  
*PPL Electric Utilities Corporation*

Karen O. Moury, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8th Floor  
Harrisburg, PA 17101  
*Maple Lawn Farms, Inc., Rose Tree-Blue  
Mountain Hunt Club, Inc. &  
Citizens to STOP Transource*

Thomas J. Sniscak, Esquire  
Whitney E. Snyder, Esquire  
100 North Tenth Street  
Harrisburg, PA 17101  
*York County Planning Commission*

Linus E. Fenicle, Esquire  
Reager & Adler, PC  
2331 Market Street  
Camp Hill, PA 17011  
*Quincy Township*

Barron Shaw  
Jana Shaw  
445 Salt Lake Rd  
Fawn Grove, PA 17321

John L. Munsch, Esquire  
800 Cabin Hill Drive  
Greensburg, PA 15601  
*MAIT & West Penn Power*

**VIA FIRST CLASS MAIL**

Byron Jess Boyd  
831 New Park Road  
New Park, PA 17352

Hugh McPherson  
2885 New Park Road  
New Park, PA 17352

J Ross McGinnis, Esquire  
41 West Main Street  
Fawn Grove, PA 17321

Fred Byers  
1863 Coldsmith Rd  
Shippensburg, PA 17257

Michael Cordell  
4219 Altenwald Rd  
Waynesboro, PA 17268

Roy Cordell  
Emma Cordell  
4690 Fetterhoff Chapel Road  
Chambersburg, PA 17202

Aaron Kauffman  
Melinda Kauffman  
4220 Old Scotland Rd  
Chambersburg, PA 17202

Colt Martin  
Kristyn Martin  
8020 Hidden Valley Rd  
Waynesboro, PA 17268

Leonard Kauffman  
Mary Kauffman  
4297 Olde Scotland Rd  
Chambersburg, PA 17202

Allen Rice  
Lori Rice  
1430 Henry Lane  
Chambersburg, PA 17202

Lois White  
1406 Walker Road  
Chambersburg, PA 17202

Willa Weller Kaal  
67 Summer Breeze Lane  
Chambersburg, PA 17202

Allan Stine  
Heather Stine  
867 Cider Press Road  
Chambersburg, PA 17202

Karen Benedict  
Rodney Myer  
5413 Manheim Rd  
Waynesboro, PA 17268

Lantz Sourbier  
Laura Sourbier  
64 Edgewood Cir  
Chambersburg, PA 17202

Ashley Hospelhorn  
8010 Hidden Valley Ln  
Waynesboro, PA 17268

Ashley Hospelhorn  
116 West 3<sup>rd</sup> Street  
Waynesboro, PA 17268

Danielle Bernecker  
1827 Wood Duck Dr E  
Chambersburg, PA 17202

Courtney & Derek Dettinger  
24 Chanceford Rd  
Brogue Pa 17309

James McGinnis, Jr.  
290 Woolen Mill Road  
New Park, PA 17352

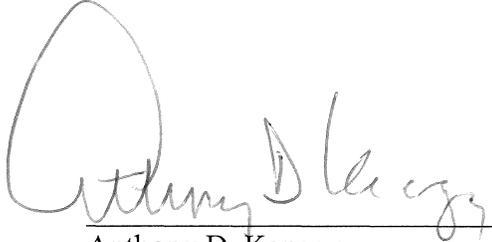
Darwyn Benedict  
410 N. Grant Street  
Waynesboro, PA 17268

Clint Barkdoll  
Owls Club, Inc.  
87 West Main Street  
Waynesboro, PA 17268

Jan & Georgiana Horst  
826 New Franklin Road  
Chambersburg, PA 17201

Delores Krick  
Muddy Creek Meadows Riding Stable  
699 Frosty Hill Road  
Airville, PA 17302

Date: October 17, 2019



Anthony D. Kanagy