

**FrederickNewsPost.com****Women file challenge to PATH accounting**

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By [Ed Waters Jr.](#)

Two West Virginia women have filed a preliminary challenge to a power transmission line project, claiming accounting errors and expenses of \$3 million in 2009.

The two said the expenses for the Potomac-Appalachian Transmission Highline were not prudent and was not recoverable from the 51 million Allegheny Energy and American Electric Power customers in 2009.

Keryn Newman of Shepherdstown and Alison Haverty of Chloe, W.Va., filed the challenge with the two utility companies, partners in the PATH project. The utility companies have until Jan. 3 to resolve the challenge, according to Newman and Haverty. If a resolution cannot be achieved, a formal challenge may be filed with the Federal Energy Regulatory Commission.

"We will review the preliminary challenge and decide on an appropriate course of action," Allegheny Energy spokesman Todd Meyers said Tuesday.

FERC conditionally granted PATH's formula rate of return in 2008 to cover development and construction costs for the \$2.1 billion, 275-mile transmission line and substation planned to cross three states.

"The more questions we asked, the worse PATH's accounting looked," said Newman, who has a background in corporate accounting.

She said the two reviewed the formula administered by PJM Interconnection's Open Access Transmission Tariff.

An annual revenue requirement for yearly PATH project expenses has been collected from PJM ratepayers every year since 2008. The payment includes the addition of pre-construction costs accrued prior to March 2008 and are currently being amortized over the five-year construction period, according to a statement by Newman and Harvey.

"Treating the wallets of West Virginia electric customers as ATMs is just not right. It is hard enough to pay the bills without the likes of PATH nickel and diming us -- hoping we don't notice," Haverty said.

The preliminary challenge says that because of the scope of accounting errors found a full, independent audit is necessary.

"The audit must include all expense accounts in the rate base and revenue requirement, as well as other PATH expenses that are not recovered from rate payers. The audit should then be shared with and made available to the public," according to the statement.

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