

FrederickNewsPost.com**Public Service Commission hears input on proposed Allegheny Energy-FirstEnergy utility merger**

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All five members of the Maryland Public Service Commission were on hand Tuesday night to hear input on the proposed merger of Allegheny Energy and FirstEnergy. The two utility companies filed the merger application with the PSC in May. The \$8.5 billion deal would create one of the largest electric power companies in the nation.

About 25 audience members, many of them representing Allegheny Energy, were on hand for the meeting, which lasted about one hour.

"Because it is a pending case, we have to be careful what we say about it," said commission Chairman Douglas Nazarian. "You have to understand that we cannot speak about it. There will be no dialogue."

Only seven audience members spoke; one of them complained about Allegheny Power's billing system.

Nazarian emphasized that Tuesday's meeting was not about the PATH project, which has been the focus of a number of recent meetings. Allegheny Energy representatives said the proposed merger of the two companies would not affect the Potomac-Appalachian Transmission Highline project, which has drawn opposition to its route and a proposed substation near Mount Airy.

Nicholas Carrera, who has spoken at meetings about the substation, said he has not studied the specifics of the proposed merger. He asked the commission, however, to look at FirstEnergy's past acquisitions and whether claims made before those actions, such as lower consumer bills, came to pass after the deals were settled.

Carrera noted that FirstEnergy already owns Jersey Central Power and Light and there have been indications the PATH line, via the proposed substation, would go from Maryland on into New Jersey. "Is this one hand shaking the other?" Carrera said.

Keryn Newman urged the commission to look at FirstEnergy's accounting records and said there is the potential for the Ohio-based company to spin off the transmission operations of Allegheny Energy once the deal is complete.

Brigitte Fortin, a member of the Executive Committee of the Sierra Club's Maryland Chapter, addressed the overdependence of Allegheny Energy on coal-fired plants. She said there was an opportunity to steer the utility companies toward alternative, renewable energy sources such as wind power.

"I ask that you require FirstEnergy and Allegheny to improve energy efficiency performance, invest in renewable power and make the system upgrades needed to replace costly coal plants such as the R. Paul Smith Plant (in Williamsport) with reliable and affordable clean energy before approving a merger," Fortin said. She gave the commission petitions signed by more than 1,000 Maryland residents supporting that statement.

Dan Andrews of the Sierra Club's Catoctin Chapter echoed Fortin's comments, urging energy conservation and a "shift away from coal."

Richard Griffin, director of Frederick city's economic development office, and Ric Adams, CEO of the Frederick County Chamber of Commerce, voiced support for the merger. Adams pointed to potential jobs from the merger, especially with a possible establishment of a headquarters for Potomac Edison in the area. Potomac Edison is the legal name used by Allegheny Energy in the state and representatives of the utility company said the name could return as an entity with an office, possibly in Western Maryland.

Griffin said city residents and businesses rely on power and the city administration sees the merger as resulting in a stronger company.

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