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December 20, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA HAND DELIVERY

RE: Petition of West Penn Power Company for Amendment of the Orders Approving Energy Efficiency and Conservation Plans and Petition for Approval of its Amended Energy Efficiency and Conservation Plans; Docket No. M-2009-2093218

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the original and three (3) copies of the West Penn Power Industrial Intervenors' ("WPPII") Prehearing Memorandum in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document. Please date stamp the extra copy of this transmittal letter and Prehearing Memorandum, and kindly return them to our messenger for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By *Vasiliki Karandrikas*
Vasiliki Karandrikas

Counsel to the West Penn Power Industrial Intervenors

VK/sds

Enclosures

c: Administrative Law Judge Dennis J. Buckley (via E-mail and Hand Delivery)
Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|---------------------------|
| Petition of West Penn Power Company for | : | |
| Amendment of the Orders Approving | : | |
| Energy Efficiency and Conservation Plan | : | Docket No. M-2009-2093218 |
| and Petition for Approval of Amended | : | |
| Energy Efficiency and Conservation Plan | : | |

**PREHEARING MEMORANDUM OF THE
WEST PENN POWER INDUSTRIAL INTERVENORS**

As requested by Administrative Law Judge ("ALJ") Dennis J. Buckley in the December 15, 2011, Prehearing Conference Order, the West Penn Power Industrial Intervenors ("WPPII") hereby submit this Prehearing Memorandum in the above-referenced proceeding.

I. HISTORY OF THE PROCEEDING

On August 9, 2011, West Penn Power Company ("West Penn" or "Company") filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") a Petition seeking to amend its Energy Efficiency and Conservation ("EE&C") Plan ("Amended Petition"). Specifically, West Penn sought revisions to its EE&C Plan to be more consistent with its sister FirstEnergy Companies' EE&C Plans.¹ West Penn's proposed revisions included: (1) increasing the cost allocation to large commercial and industrial ("C&I") customers by \$8,000; (2) implementing a Conservation Voltage Reduction ("CVR") Program; (3) replacing fixed EE&C program incentives with incentive ranges; and (4) shifting funding from the Customer Resources Demand Response ("CRDR") Program to the Customer Load Response Program.

¹ On February 25, 2011, the FirstEnergy/Allegheny Energy Merger was completed. As of that date, West Penn became part of the FirstEnergy corporate family, which originally included Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company.

On August 19, 2011, WPPII filed an Answer to West Penn's Amended Petition. A description of WPPII is set forth in Paragraph 3 of WPPII's Answer.² In addition, on September 12, 2011, WPPII filed Comments to the Amended Petition.

On October 28, 2011, the PUC issued an Interim Opinion and Order approving West Penn's Amended Petition in part, and referring the remaining elements of the Amended Petition to the Office of Administrative Law Judge for the scheduling of proceedings and the issuance of a Recommended Decision on an expedited basis. The elements of West Penn's Amended Petition that are scheduled for hearing include: (1) whether the CVR Program, under which West Penn would reduce voltage levels by 1.5% on strategic distribution circuits, should be added to the EE&C Plan; (2) whether incentive ranges should be adopted in place of fixed incentives; and (3) whether the change in funding for the large C&I demand response program is appropriate.

A Prehearing Conference has been scheduled in this proceeding for December 21, 2011.

II. ANTICIPATED ISSUES AND SUB-ISSUES

WPPII has concerns about the reliability and cost impacts of the proposed CVR Program on those WPPII members that have facilities that are connected to the distribution system and, therefore, may be negatively impacted by the proposed Program. In addition, WPPII opposes any additional costs being allocated to the large C&I class and WPPII members. WPPII also has reservations about West Penn's proposal to dedicate additional ratepayer resources to the CRDR Program. WPPII expects to address these issues during this proceeding, if necessary, and reserves the right to raise further issues and respond to additional issues raised by other parties.

² WPPII filed a Petition to Intervene in this proceeding on July 15, 2009. WPPII's Petition to Intervene was granted by ALJ Katrina L. Dunderdale at the July 28, 2009, Prehearing Conference.

III. PROPOSED WITNESSES

WPPII is still evaluating whether it will present any witnesses in this proceeding. If WPPII determines that it will present such witnesses, WPPII will inform the ALJ and the other parties as soon as possible. WPPII also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions and reply exceptions, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

WPPII will cooperate with the ALJ and parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ.

V. POSSIBILITY OF SETTLEMENT

WPPII has and continues to be willing to participate in discussions with the other parties to resolve amicably the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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Dated: December 20, 2011

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Dated this 20th day of December, 2011, at Harrisburg, Pennsylvania.