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May 8, 2013

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

VIA ELECTRONIC FILING

RE: Petition of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company to Approve Modification of the Energy Efficiency and Conservation Charge Rider to Include Final Reconciliation Costs and to Recover the Full Costs for Metropolitan Edison Company's Suspension of the Residential Direct Load Control Program Effective May 31, 2013; Docket Nos. M-2009-2092222, M-2009-2112952, M-2009-2112956

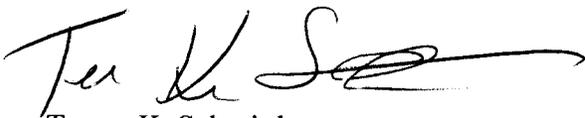
Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Petition to Intervene and Answer on behalf of the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance and the Penn Power Users Group, in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By 
Teresa K. Schmittberger

Counsel to the Met-Ed Industrial Users Group,
the Penelec Industrial Customer Alliance, and
the Penn Power Users Group

Enclosures

c: Chief Administrative Law Judge Charles E. Rainey, Jr. (via E-mail and First-Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

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

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Certificate of Service

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Docket Nos. M-2009-2092222, M-2009-2112952, and M-2009-2112956

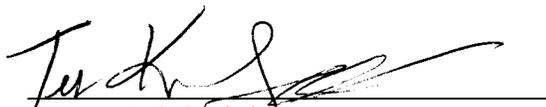
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Dated this 8th day of May, 2013, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Metropolitan Edison Company,	:	
Pennsylvania Electric Company and	:	
Pennsylvania Power Company to Approve	:	Docket Nos. M-2009-2092222
Modifications of the Energy Efficiency and	:	M-2009-2112952
Conservation Charge Rider to Include Final	:	M-2009-2112956
Reconciliation Costs and to Recover the Full	:	
Costs for Metropolitan Edison Company's	:	
Suspension of the Residential Direct Load	:	
Control Program Effective May 31, 2013	:	

**JOINT PETITION TO INTERVENE AND ANSWER
OF THE MET-ED INDUSTRIAL USERS GROUP,
THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE, AND
THE PENN POWER USERS GROUP**

TO THE HONORABLE, THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to Sections 5.71 through 5.74 and Section 5.61(a) of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations, 52 Pa. Code §§ 5.71-5.74 and 52 Pa. Code § 5.61(a), the Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA") and the Penn Power Users Group ("PPUG") (collectively, "Industrial Customer Groups") hereby file this Joint Petition to Intervene and Answer in the above-captioned proceeding.¹

On July 1, 2009, consistent with the requirements of Act 129 and the Commission's Phase I Implementation Order entered on January 16, 2009, at Docket No. M-2008-2069887, the Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec") and Pennsylvania Power Company ("Penn Power") (collectively, "Companies"), filed their Act 129

¹ On July 20, 2009, the Industrial Customers Groups filed a Petition to Intervene at the above-captioned docket that was ultimately approved. As a result, if the instant Petition to Intervene is deemed unnecessary, this filing should be considered the Industrial Customer Groups' Answer.

Phase I Energy Efficiency and Conservation Plans ("EE&C Plans") with the Commission outlining how the Companies plan to meet consumption reduction requirements of 1% by May 31, 2011, and 3% by May 31, 2013, as well as a 4.5% reduction in annual system peak demand by May 31, 2013.² The Commission approved the Companies' Phase I EE&C Plans on October 28, 2009.³

On November 13, 2012, the Companies petitioned the Commission for approval of their Phase II EE&C Plans.⁴ The Companies' Phase II Plans identified and described the programs to be implemented to achieve the additional consumption reduction targets adopted by the Commission's Phase II Implementation Order entered August 3, 2012, at Docket Nos. M-2008-2069887 and M-2012-2289411, as well as proposed a final reconciliation procedure for the Companies. Through the Joint Petition for Full Settlement of Non-Reserved Issues filed on January 28, 2013 in that proceeding, however, the Companies agreed to withdraw their request for Phase I reconciliation approval and, instead, begin a separate proceeding related to the reconciliation. On March 14, 2013, the Commission issued an Opinion and Order approving the Companies' Phase II Plans,⁵ subject to the inclusion of additional revisions in the Companies' tariffs.⁶

² *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for Consolidation of Proceedings and Approval of Energy Efficiency and Conservation Plans*, Docket Nos. M-2009-2092222, M-2009-2112952, and M-2009-2112956 (July 1, 2009).

³ *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for Consolidation of Proceedings and Approval of Energy Efficiency and Conservation Plans*, Docket Nos. M-2009-2092222, M-2009-2112952, and M-2009-2112956 (Order entered Oct. 28, 2009).

⁴ *Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of their Act 129 Phase II Energy Efficiency and Conservation Plans*, Docket Nos. M-2012-2334392, M-2012-2334387, M-2012-2334395, and M-2012-2334398 (Nov. 13, 2012).

⁵ *Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of their Act 129 Phase II Energy Efficiency and Conservation Plans*, Docket Nos. M-2012-2334392, M-2012-2334387, M-2012-2334395, and M-2012-2334398 (Order entered Mar. 14, 2013).

⁶ On April 30, 2013, the Companies filed Phase II tariff revisions that included a final reconciliation proposal for Phase II at Docket Nos. M-2012-2334392, M-2012-2334387, M-2012-2334395, and M-2012-2334398. These revisions have yet to be evaluated by the Commission.

On April 18, 2013, the Companies petitioned the Commission for approval to modify their Energy Efficiency & Conservation Charge Riders ("EE&C-C Rider") to reflect the final reconciliation of Phase I costs ("Phase I Reconciliation Petition" or "Petition"). In the Petition, the Companies requested approval: (1) to extend the final reconciliation and cost recovery mechanism to fully recover the costs incurred during implementation of their Phase I EE&C Plans; and (2) of Met-Ed's request to collect the full costs associated with suspending the Residential Direct Load Control Program through the Met-Ed EE&C-C Rider, including the removal of customer-sited equipment installed as part of Met-Ed's Distributed Energy Reduction system, effective May 31, 2013. *See* Petition, pp. 1-2. The Companies also filed an Amended Phase I EE&C Plan to reflect their requested changes. *See* Appendix C of Petition.

In support of their Petition to Intervene and Answer, the Industrial Customer Groups assert the following:

I. PETITION TO INTERVENE

1. The Industrial Customer Groups are *ad hoc* associations of energy-intensive customers receiving electric service in the Companies' service territory. As some of the Companies' largest customers, whose manufacturing processes require significant amounts of electricity, any proposed modifications to the Companies' electric rates and reconciliation could significantly impact the Industrial Customer Groups' production costs.

2. The names and address of the Industrial Customer Groups' attorneys are:

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Vasiliki Karandrikas (I.D. No. 89711)
Teresa K. Schmittberger (I.D. No. 311082)
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3. The Industrial Customer Groups are MEIUG, PICA, and PPUG. The compositions of MEIUG, PICA, and PPUG are attached hereto as Appendix A, Appendix B, and Appendix C, respectively. MEIUG, PICA, and PPUG reserve the right to modify these Appendices throughout the course of this proceeding, as necessary.

4. The Industrial Customer Groups are concerned with issues regarding the terms and conditions of their electricity service and, as a result, have been actively involved in numerous proceedings of the Companies, including participation in the adjudication of the Companies' Phase I and II EE&C Plans and regularly attending the Companies' EE&C Plan stakeholder meetings. The Commission's final disposition of the Companies' Phase I Reconciliation Petition also directly affects the rates that the Companies impose on the Industrial Customer Groups for electric service.

5. The Industrial Customer Groups thus have an interest in this proceeding that is not represented by any other party of record; consequently, the Industrial Customer Groups satisfy the standards for intervention under Section 5.72 of the Commission's Regulations, 52 Pa. Code § 5.72.

II. ANSWER

6. Certain aspects of the Companies' Phase I Reconciliation Petition may require further investigation. In the Petition, the Companies propose to extend their Phase I cost recovery until September 30, 2013. The Phase II Implementation Order prohibits Phase I cost recovery after the conclusion of Phase I (*i.e.*, May 31, 2013), other than "to account for those program measures installed and operable on or before May 31, 2013, and to finalize the CSP and administrative fees related to Phase I." Phase II Implementation Order, p. 107. Accordingly, depending on which costs the Companies would recover through September 30, 2013, it is possible that such a collection would be inconsistent with the Commission's Phase II Implementation Order.

7. The Companies further propose that the Phase I reconciliation occur from January 1, 2014 through May 31, 2014. As a result, costs associated with Phase I could be imposed on customers as long as a year after the expiration of Phase I. It is unclear based on the Companies' Petition why the Phase I reconciliation could not conclude at an earlier date. Here again, the Commission should evaluate whether the Companies' extended reconciliation proposal complies with Act 129 and the Commission's Act 129 Implementation Orders.

8. Finally, the Industrial Customer Groups are concerned with respect to any modifications to rate design or billing associated with this Phase I reconciliation collection that may impact Large C&I customers and plan to monitor any such issues closely throughout the instant proceeding.

III. CONCLUSION

WHEREFORE, the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, and the Penn Power Users Group respectfully request that the Pennsylvania Public Utility Commission grant this Petition to Intervene and Answer, provide the Industrial Customer Groups with full-party status in this proceeding, and allow such other relief as it deems necessary.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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the Penn Power Users Group

Dated: May 8, 2013

APPENDIX A

MET-ED INDUSTRIAL USERS GROUP

Air Liquide Industrial U.S. LP
Carpenter Technology Corporation
Dixie Consumer Products, LLC, Lehigh Valley
East Penn Manufacturing Company, Inc.
Exide Technologies, Inc.
Farmers Pride, Inc.
Glen-Gery Corporation
Harley-Davidson Motor Company – York Division
Knouse Foods Cooperative, Inc.
Magnesita Refractories Co.
PPG Industries, Inc.
RH Sheppard Co., Inc.
Royal Green LLC
Sweet Street Desserts, Inc.

APPENDIX B

PENELEC INDUSTRIAL CUSTOMER ALLIANCE

American Refining Group Inc.
Appleton Papers Inc.
E.I. du Pont de Nemours & Co., Inc.
Electralloy, a G.O. Carlson, Inc., Co.
Ellwood National Steel
Erie Forge & Steel, Inc.
Glen-Gery Corporation
Indiana Regional Medical Center
Pittsburgh Glass Works, L.L.C.
Procter & Gamble Paper Products Company
Sheetz, Inc.
Standard Steel
Team Ten, LLC - American Eagle Paper Mills
The Plastek Group
U.S. Silica Company
Wegmans Food Markets, Inc.

APPENDIX C

PENN POWER USERS GROUP

Ellwood Quality Steel

