May 3, 2013

VIA OVERNIGHT FEDERAL EXPRESS

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


Dear Secretary Chiavetta:

On behalf of Metropolitan Edison Company, I have enclosed one original and three copies for filing Metropolitan Edison Company’s request for Expedited Approval of Proposed Minor EE&C Plan Changes Pursuant to the June 10, 2011 Final Order in regard to the above-captioned consolidated proceeding.

Please date stamp one copy and return to me in the enclosed, postage-prepaid envelope. Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Carrie M. Dunn

Enclosures

85087 v1
BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Metropolitan Edison Company’s Request for Expedited Approval of Proposed Minor Act 129 EE&C Plan Changes Pursuant to the June 10, 2011 Final Order in Docket No. M-2008-2069887

Docket No. M-2008-2092222

Kathy J. Kolich
Attorney No. 92203
Carrie M. Dunn
OH Attorney No. 0076952
Pro Hac Vice
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
(330) 384-4580 - Telephone
(330) 384-3875 - Fax
kikolich@firstenergycorp.com
cdunn@firstenergycorp.com

Dated: May 3, 2013

Counsel for:
Metropolitan Edison Company
INTRODUCTION

Pursuant to the Pennsylvania Public Utility Commission’s (“Commission”), Final Order dated June 10, 2011 in Energy Efficiency and Conservation Program, Docket No. M-2008-2069887 (“June 10 Order”), Metropolitan Edison Company (“Met-Ed” or “Company”) hereby requests expedited approval of its proposed minor changes to certain large commercial and industrial programs included in its current Act 129 Energy Efficiency and Conservation (“EE&C”) Plan, of which the Commission last approved changes on March 14, 2013 in Docket No. M-2009-2092222. Specifically, through this request, Met-Ed is proposing to expand the budget for the Large Commercial/Industrial Equipment Program by $365,000 by decreasing the budget for the PJM Demand Response Program - Large by the same amount.

A red-line/revised version of the relevant portions of Met-Ed’s currently approved EE&C Plan, including the appropriate tables and appendices, that illustrates the aforementioned changes is attached as Exhibit A.

The proposed minor changes qualify for expedited approval as outlined in the June 10 Order. As discussed below, the need for the program changes described herein is immediate. Therefore, Met-Ed respectfully requests that the Commission staff approve the proposed minor changes described herein consistent with the timelines set forth in the Commission’s June 10 Order.

In support of its proposed changes, Met-Ed offers the following:
BACKGROUND

A. Initial Plan Filings


2. Met-Ed timely submitted a revised EE&C Plan (“Revised Plan”). By Opinion and Order dated January 28, 2010, the Commission approved in part and rejected in part the Revised Plan. The Commission ordered the Company to submit a further revised EE&C plan within 60 days.


4. On February 18, 2011, Met-Ed, along with two of its sister Pennsylvania companies (Pennsylvania Electric Company and Pennsylvania Power Company, collectively with Met-Ed, “Companies”) filed two Joint Petitions -- one involving expedited approval of certain changes to each of the Companies’ Second Revised Plans; the other, involving proposed changes to the Plans that required an evidentiary hearing due to the fact that the changes would result in a budget increase for the Commercial and Industrial customer class. Both joint petitions asked the Commission to amend its February 26, 2010 Order and to approve proposed changes to each of the Companies’ Second Revised Plans.
5. In an Order entered March 18, 2011, the Commission approved the Companies’ Joint Petition for Expedited Approval of certain changes to their respective Second Revised Plans.

6. On June 28, 2011, an evidentiary hearing was held on the proposed changes that resulted in an increase in each of the Companies’ Plan budgets, and, in an Order entered on January 12, 2012, the Commission approved all such proposed changes.

7. On May 23, 2012, Met-Ed filed a Petition requesting an expedited approval of its proposed minor changes to the demand response programs, which was approved by Staff on June 14, 2012.

8. On February 13, 2013, Met-Ed filed a Petition requesting an expedited approval of its proposed minor changes to its Residential Energy Efficient Products Program, Residential Behavioral Modification & Education Program, Home Energy Audits & Outreach Program and Residential Direct Load Control Program, which was approved by Staff on March 14, 2013. (Met-Ed’s Second Revised Plan, after factoring in all of the aforementioned approved changes thereto, is hereinafter referred to as the “Current Plan”).

B. June 10 Order


10. First, Electric Distribution Companies (“EDCs”) must file proposed changes with the Commission.
11. Interested parties have 15 days to comment on the filing. Reply comments are due 10 days after the initial comments.

12. Within 35 days after filing the proposed minor changes, the Commission Staff must issue a Secretarial Letter approving or disapproving some or all of the proposed changes and may also refer some or all of the proposed changes to the Office of Administrative Law Judge.

13. The June 10 Order only requires Met-Ed to file sufficient documentation to support the proposed minor EE&C Plan changes, to include the affected pages of the plan, a redlined version of the affected pages and an explanation of how the proposed minor changes affect the previously approved plan. These pages are also attached. In addition, the Commission requires an EDC to post a complete redlined version of its proposed plan on its website for public inspection upon filing.

14. The scope of plan changes eligible for expedited approval are:

- The elimination of a measure that is underperforming, no longer viable for reasons of cost-effectiveness, savings or market penetration or has met its approved budgeted funding, participation level or amount of savings;

- The transfer of funds from one measure or program to another measure or program within the same customer class; and

- Adding a measure or changing the conditions of a measure, such as its eligibility requirements, technical description, rebate structure or amount, projected savings, estimated incremental costs, projected number of participants, or other conditions so long the change does not increase the overall costs to that customer class.

15. The proposed minor changes to Met-Ed’s Current Plan fall within the above categories in that the changes involve the transfer of funds from one program to
another program within the same customer classes, namely the Large C&I Customer Class.

**SPECIFIC CHANGES AND EXPLANATIONS FOR CHANGES**

16. Met-Ed proposes to increase the budget for the Large Commercial/Industrial Equipment Program by $365,000. The Company's Large Commercial/Industrial Equipment Program has exceeded the Company's projections and has nearly exhausted its approved program budget. This program has proven to be extremely popular and the Company has identified additional customer projects that it can pursue under this program to achieve additional energy and demand savings. Specifically, the Company has identified over 50 customer projects representing approximately 12,000 MWh of energy savings that it will pursue upon approval of this budget transfer. This program has exceeded its May 31, 2013 program energy savings target.

17. Met-Ed proposes to decrease the funding for the PJM Demand Response Program - Large by $365,000. Critical program activity occurred during the summer of 2012 and the Company does not anticipate any further significant activity through this program prior to the expiration of the Company’s Current Plan on May 31, 2013. This program is projected to be under budget in excess of this amount on May 31, 2013.

18. The budget changes listed above for the Large Commercial/Industrial Equipment Program and the PJM Demand Response Program - Large will have no effect on the remainder of the Current Plan or the Large C&I rate reflected in Rider EEC-C.
19. The impact of these minor budget transfers are summarized in Exhibit A, which includes a table showing the proposed budget reallocations (Met-Ed Proposed Budget Reallocation Table) and revisions to Appendix D-6 from the Company’s Plan.

20. These budget changes also have negligible impact on the cost-effectiveness of the programs. The anticipated impact on the cost-effectiveness of the programs based on the proposed budget changes is set forth in Exhibit B (Met-Ed TRC Impact Assessment Table).

21. These changes will allow Met-Ed to continue program operations and support customer participation through May 31, 2013, and will best position Met-Ed to achieve the May 31, 2013 energy savings targets required by Act 129.
CONCLUSION

WHEREFORE, in light of the foregoing, Met-Ed respectfully asks that Staff approve the proposed changes described herein in accordance with the Commission’s June 10, 2011 Final Order in Docket No. M-2008-2069887.

Respectfully submitted,

Dated: May 3, 2013

Kathy J. Kolich
Attorney No. 92203
Carrie M. Dunn
OH Attorney No. 0076952
Pro Hac Vice
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
(330) 384-4580 - Telephone
(330) 384-3875 - Fax
kkolich@firstenergycorp.com
cdunn@firstenergycorp.com
### Exhibit A

Met Ed Proposed Budget Reallocation

<table>
<thead>
<tr>
<th>Program</th>
<th>Current Approved Plan Budget (App D:6)</th>
<th>Proposed Budget</th>
<th>Total Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>C/I Equipment - Large</td>
<td>$7,932,814</td>
<td>$8,297,814</td>
<td>$365,000</td>
</tr>
<tr>
<td>PJM Demand Response - Large</td>
<td>$5,006,415</td>
<td>$4,641,415</td>
<td>$(365,000)</td>
</tr>
<tr>
<td>Commercial/Industrial Large</td>
<td>$12,939,229</td>
<td>$12,939,229</td>
<td>$0</td>
</tr>
</tbody>
</table>

**RECEIVED**

MAY - 3 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
### Large Commercial/Industrial Equipment Program

<table>
<thead>
<tr>
<th>Four Year Program Budget</th>
<th>Program Year 1</th>
<th>Program Year 2</th>
<th>Program Year 3</th>
<th>Program Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4-C/I Equip</td>
<td>4-C/I Equip</td>
<td>4-C/I Equip</td>
<td>4-C/I Equip</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$8,297,814</td>
<td>$997,830</td>
<td>$3,872,995</td>
<td>$1,449,461</td>
</tr>
<tr>
<td><strong>Utility Labor/Cost</strong>*</td>
<td>$447,124</td>
<td>$101,910</td>
<td>$360,650</td>
<td>$2,689</td>
</tr>
<tr>
<td><strong>Marketing</strong>*</td>
<td>$117,840</td>
<td>$60,501</td>
<td>$40,876</td>
<td>$10,253</td>
</tr>
<tr>
<td><strong>M&amp;V</strong>*</td>
<td>$365,024</td>
<td>$10,004</td>
<td>$100,004</td>
<td>$128,519</td>
</tr>
<tr>
<td><strong>Retailer Sales Incentive</strong></td>
<td>$720</td>
<td>$60</td>
<td>$60</td>
<td>$300</td>
</tr>
<tr>
<td><strong>Rebate Processing</strong></td>
<td>$1,026,163</td>
<td>$176,006</td>
<td>$690,056</td>
<td>$88,130</td>
</tr>
<tr>
<td><strong>Retail Store Discount Tracking</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Service Provider Costs</strong>*</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Service Provide Equip/Audit</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Incentive Shipping &amp; Other</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Incentive Rebate for Equip</strong></td>
<td>$6,340,943</td>
<td>$649,350</td>
<td>$2,681,350</td>
<td>$1,219,670</td>
</tr>
<tr>
<td><strong>Utility/SP O&amp;M</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

*This code links this budget to the model input tables in file labeled "ME-EC_Plan_Appendices-WCharts-Budget"

**Variable based on number of units of participation each year.

*** Budget line items reflect the results of measure based modeling for the EE Plan filing. Actual program expenditures (e.g. for these budget figures are consistent with those filed with the Pennsylvania PSC under the FirstEnergy EECP. Actual budgets will vary due to vendor contractual agreements and customer participation levels, among other factors out of the utility's control.
## Appendix D-6
### Per Program Budget Detail

<table>
<thead>
<tr>
<th>Large Commercial/Industrial Equipment Program</th>
<th>Program Year 1</th>
<th>Program Year 2</th>
<th>Program Year 3</th>
<th>Program Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four Year Program Budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Code</td>
<td>4-C/I Equip</td>
<td>4-C/I Equip</td>
<td>4-C/I Equip</td>
<td>4-C/I Equip</td>
</tr>
<tr>
<td>Total Budget</td>
<td>$7,932,814</td>
<td>$997,830</td>
<td>$3,872,995</td>
<td>$1,449,461</td>
</tr>
<tr>
<td>Utility Labor/Cost***</td>
<td>$447,124</td>
<td>$101,910</td>
<td>$360,650</td>
<td>$2,589</td>
</tr>
<tr>
<td>Marketing***</td>
<td>$117,840</td>
<td>$60,501</td>
<td>$40,876</td>
<td>$10,253</td>
</tr>
<tr>
<td>M&amp;V***</td>
<td>$365,024</td>
<td>$10,004</td>
<td>$100,004</td>
<td>$120,019</td>
</tr>
<tr>
<td>Retail Sales Incentive</td>
<td>$720</td>
<td>$60</td>
<td>$60</td>
<td>$300</td>
</tr>
<tr>
<td>Rebate Processing</td>
<td>$1,026,163</td>
<td>$176,006</td>
<td>$690,066</td>
<td>$88,130</td>
</tr>
<tr>
<td>Retail Store Discount Tracking</td>
<td>$0</td>
<td>$0</td>
<td>$60</td>
<td>$0</td>
</tr>
<tr>
<td>Service Provider Costs***</td>
<td>$0</td>
<td>$0</td>
<td>$60</td>
<td>$0</td>
</tr>
<tr>
<td>Service Provide Equip/Audit</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Incentive Shipping &amp; Other**</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Incentive Rebate for Equip**</td>
<td>$5,975,943</td>
<td>$649,350</td>
<td>$2,693,350</td>
<td>$1,219,670</td>
</tr>
<tr>
<td>Utility/SP O&amp;M</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

* This code links this budget to the model input tables in file labeled "MEPG_Plan_Appendices-WCharts-Budget"

** Variable based on number of units of participation each year.

*** Budget line items reflect the results of measure based modeling for the EE Plan filing. Actual program expenditures (e.g. for These budget figures are consistent with those filed with the Pennsylvania PSC under the FirstEnergy EECP. Actual budgets will vary due to vendor contractual agreements, and customer participation levels, among other factors out of the utility's control.
### Exhibit B

**Met Ed TRC Impact Assessment**

<table>
<thead>
<tr>
<th>Program</th>
<th>Approved TRC Costs (App G, Table 7A Cumulated) ($000)</th>
<th>Approved TRC Benefits (App G, Table 7A Cumulated) ($000)</th>
<th>TRC as Approved</th>
<th>Revised TRC Cost (1) ($000)</th>
<th>Revised TRC Benefit (1) ($000)</th>
<th>Revised TRC Cost (2) ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CI Equipment - Large</td>
<td>32,717</td>
<td>42,229</td>
<td>1.3</td>
<td>34,223</td>
<td>44,172</td>
<td>1.3</td>
</tr>
<tr>
<td>Revised Program Total - Commercial/Industrial Large</td>
<td>32,717</td>
<td>42,229</td>
<td>1.3</td>
<td>34,223</td>
<td>44,172</td>
<td>1.3</td>
</tr>
<tr>
<td>Sector &amp; Plan</td>
<td>Approved TRC Costs (App G, Table 7A Cumulated) ($000)</td>
<td>Approved TRC Benefits (App G, Table 7A Cumulated) ($000)</td>
<td>TRC as Approved</td>
<td>Revised TRC Cost (1) ($000)</td>
<td>Revised TRC Benefit (1) ($000)</td>
<td>Revised TRC Cost (2) ($000)</td>
</tr>
<tr>
<td>Commercial/Industrial Large Sector</td>
<td>32,717</td>
<td>42,229</td>
<td>1.3</td>
<td>34,223</td>
<td>44,172</td>
<td>1.3</td>
</tr>
<tr>
<td>Total Plan</td>
<td>170,514</td>
<td>380,333</td>
<td>2.2</td>
<td>172,019</td>
<td>382,276</td>
<td>2.2</td>
</tr>
</tbody>
</table>

(1) Revised TRC Costs and Benefits based on linear extrapolation of approved TRC Costs and Benefits in relation to proposed budget change.

---

**RECEIVED**

**MAY - 3 2013**

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Metropolitan Edison Company's Request for Expedited Approval of Proposed Minor Act 129 EE&C Plan Changes Pursuant to the June 10, 2011 Final Order in Docket No. M-2008-2069887

Docket No. M-2009-2092222

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service via overnight, as follows:

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

Service via First Class and Electronic Mail, as follows

Tanya McCloskey, Esquire
Christy M. Appleby, Esquire
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17101
tmccloskey@paoca.org
cappleby@paoca.org

Sharon Webb, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, PA 17101
swebb@pa.gov

Harry S. Geller, Esquire
Patrick Cicero, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
hgellerpulp@palegalaid.net
pcicero@palegalaid.net
Dated: May 3, 2013

Kathy J. Kolich
Attorney No. 92203
Carrie M. Dunn
OH Attorney No. 0076952
Pro Hac Vice
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
(330) 384-4580 - Telephone
(330) 384-3875 - Fax
kkkolich@firstenergycorp.com
cdunn@firstenergycorp.com
After printing this label:
1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is $1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.