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December 29, 2015

VIA EFILINGRosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120**Re: Petition for Approval of its Act 129 Phase III Energy Efficiency and Conservation Plans of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company; Docket Nos. M-2015-2514767; M-2015-2514768; M-2015-2514769; and M-2015-2514772**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (the "Companies") is a Prehearing Memorandum for the above referenced matter.

Please contact me if you have any questions regarding the foregoing. Copies have been served as indicated in the attached Certificate of Service.

Very truly yours,


John L. Munsch

Enclosures

cc: Administrative Law Judge Elizabeth H. Barnes

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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| Joint Petition for Consolidation of Proceedings: and Approval of Energy Efficiency and Conservation Plans Phase III of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company | : : : : : | Docket No. M-2015-2514767 Docket No. M-2015-2514768 Docket No. M-2015-2514769 Docket No. M-2015-2514772 |
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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 parties, listed below, in accordance with the requirements of §1.54 (relating to service by a party).

FIRST CLASS MAIL

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Respectfully submitted,

Date: December 29, 2015


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Parties are requested to also serve documents on the following attorney as a courtesy:

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II. History of the Proceeding

On October 15, 2008, Governor Rendell signed into law Act 129 of 2008 (“Act 129”), which took effect on November 14, 2008. Among other things, Act 129 requires electric distribution companies (“EDCs”) in Pennsylvania with at least 100,000 customers to file energy efficiency and conservation (“EE&C”) plans. *See* 66 Pa.C.S. §2806.1(b). On June 19, 2015, the Commission entered an Implementation Order regarding the EE&C Program in Docket No. 2014-2424864 (“Phase III Implementation Order”). Through the Phase III Implementation Order, the Commission adopted additional incremental reductions in electric consumption and peak demand for the period June 1, 2016 through May 31, 2021 (“Phase III”) and ordered all electric distribution companies subject to Act 129 to submit plans to meet such requirements. The Companies are subject to Act 129 and on November 23, 2015, pursuant to the Phase III Implementation Order, each of the Companies submitted a Joint Petition for consolidation of cases and approval of their respective Phase III EE&C Plans, which were assigned the following Docket Numbers: M-2015-

2514767 (Met-Ed), M-2015-2514768 (Penelec), M-2015-2514769 (Penn Power), and M-2015-2514772 (West Penn).

The matter was assigned to Administrative Law Judge Elizabeth H. Barnes (“the ALJ”), who scheduled an Initial Prehearing Conference for Tuesday, January 5, 2016, and established a deadline of December 30, 2015 for parties to serve prehearing conference memoranda. Pursuant to this directive, the Companies submit this Pre-hearing Memorandum.

Notice of the Phase III EE&C Plans was published in the December 12, 2015 Pennsylvania Bulletin with a deadline of 20 days for filing responsive pleadings along with comments and recommendations. 45 PaB. 7078.

On December 29, 2015, the Companies filed with the Commission and served on the ALJ and all parties of record a Joint Petition for entry of a Protective Order.

The Prehearing Conference Order directs the parties to be prepared for a discussion of various matters, including: (i) consolidation of the above referenced dockets; (ii) coordination of the evidentiary hearing in this proceeding with other utilities’ EE&C proceedings; (iii) the possibility of settlement, subject to Commission approval; (iv) a procedural schedule that will allow certification of the record by February 12, 2016; (v) arrangements for submission of written testimony; and (vi) other matters that may aid in expediting orderly conduct and disposition of the proceeding.

III. Witnesses and Subject Matter of Testimony

The Companies’ testimony in this matter has been presented by John C. Dargie, Edward C. Miller and Kevin M. Siedt and was filed in conjunction with the submission of the Companies’ respective Phase III EE&C Plans. Mr. Dargie describes the Companies and provides an overview

of the Phase III EE&C Plans, the stakeholder process and the competitive bidding process. Mr. Miller describes the Phase III EE&C Plan development and the programs that are being proposed in the Phase III Plans. Mr. Siedt describes the proposed cost recovery riders and the reconciliation of program costs. The issue before this Commission is whether the proposed Phase III EE&C Plans are just and reasonable and in compliance with Act 129 and Commission Orders.

IV. Consolidation

In the Joint Petition, the Companies asked that the Phase III EE&C Plans be consolidated for purposes of hearing, argument and decision by the Commission. Consolidation will permit efficient use of Parties' resources. Should a Party pursue an issue that only affects one, some, but not all of the Companies, their materials can make that clear and avoid any confusion for the Commission and its Staff. During the prehearing conference, the Companies will be asking that their request for consolidation be granted.

V. Coordination with Other Dockets

The Companies have discussed with other known parties of record the procedural schedule being proposed in Section VII below. Coordination with the other Pennsylvania utilities' EE&C proceedings were considered when establishing the schedule. The Companies are not aware of any scheduling conflicts with such other proceedings caused by the proposed schedule.

VI. Settlement

The Companies have arranged two meetings with the parties for settlement discussions. The first will occur on January 5, 2016 prior to the prehearing conference;¹ the second, on January 15, 2016. The Companies will also entertain any recommendations for informal resolution of particular issues to the extent other parties of record are amenable to such discussions.

¹ The Companies intend to discuss a briefing outline with the parties during this settlement meeting.

VII. Proposed Procedural Schedule and Submission of Testimony

The Companies propose the following procedural schedule:

- Plans Published in PA Bulletin - December 12, 2015
- Responsive Pleadings, Comments and Recommendations Due – Jan. 4, 2016
- Prehearing Conference - January 5, 2016
- Informal Settlement Meeting with Parties - January 5, 2016
- Intervenor Direct Testimony - January 12, 2016 (by noon)
- Settlement Meeting - January 15, 2016
- Rebuttal Testimony – January 22, 2016
- Evidentiary Hearing - January 27, 2016
- Single Briefs due - February 10, 2016
- Revised Plan (if necessary) - February 11, 2016
- Certify the Record - February 12, 2016

The Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (OSBA”) and the Pennsylvania Utility Law Project (“PULP”) have tentatively agreed to the above schedule. However, each will provide their official position during the prehearing conference. In addition to the above, the Companies recommend that all parties’ witnesses be permitted to offer oral rebuttal testimony at hearing, given the procedural deadlines established in this matter.

VI. Discovery

The Companies have been responding on an expedited basis to formal discovery that they have received, and have made their witnesses available to parties of record for informal discovery. Further, the Companies are amenable to discuss other opportunities to expedite the orderly conduct and disposition of this proceeding, including the possibility of submitting only one brief on this

matter, as set forth in the procedural schedule, stipulating facts and authenticating documents not in dispute in advance of the evidentiary hearing, the issuance of a Protective Order related to Proprietary Information, and other ideas other parties of record may have.

Dated: December 29, 2015

Respectfully submitted,


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