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March 16, 2016

VIA EFILE & FEDEX OVERNIGHT

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

Re: Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Consolidation of Proceedings and Approval of Act 129 Phase III Energy Efficiency and Conservation Plans; Docket Nos. M-2015-2514767, M-2015-2514768, M-2015-2514769, and M-2015-2514772; Notice of Intent With Regard to the Joint Settlement

Dear Secretary Chiavetta:

On March 10, 2016, the Commission entered an Opinion and Order in the above-referenced matter (“Order”). In the Order, the Commission rejected the proposed Phase III EE&C tariffs and proposed cost recovery mechanism of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, “the Companies”) as set forth in their respective Phase III Energy Efficiency and Conservation (“EE&C”) Plans (“Plans”). The Commission further directed that the Companies modify the tariffs in their compliance filing (Order, p. 32), meet with the Bureau of Audits within 30 days to revise the cost recovery mechanism consistent with the provisions set forth in the Phase III Implementation Order (*Id.*, p. 34) and, within five (5) business days from the date of the Opinion and Order, notify the Commission and parties of their intention regarding the Joint Settlement (*Id.*, p. 32).

On March 14, 2016, a representative of the Companies met the Bureau of Audits to discuss the issues set forth above and to jointly develop modifications to the proposed tariffs and cost recovery mechanism consistent with the Order. The Companies agree with said modifications as proposed in said meeting and will incorporate the same in the tariffs submitted in their compliance filing.

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In light of the foregoing, the Companies hereby provide notice to the Commission that they will *not* be withdrawing from the Joint Settlement at this time. However, because the Companies cannot be certain that the Phase III EE&C tariffs and related cost recovery mechanisms, as modified, will be accepted by the Commission, the Companies reserve their right to reevaluate their position on the Joint Settlement should the Commission reject or modify the revised cost recovery mechanism or any of terms or conditions set forth in the revised EE&C tariffs submitted in the Companies' compliance filing.

Very truly yours,


John L. Munsch

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition for Consolidation of Proceedings:

| | | |
|---|---|----------------------------------|
| and Approval of Energy Efficiency and | : | Docket No. M-2015-2514767 |
| Conservation Plans Phase III of Metropolitan | : | Docket No. M-2015-2514768 |
| Edison Company, Pennsylvania Electric | : | Docket No. M-2015-2514769 |
| Company, Pennsylvania Power Company and | : | Docket No. M-2015-2514772 |
| West Penn Power Company | : | |

CERTIFICATE OF SERVICE

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

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