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June 15, 2016

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

**VIA ELECTRONIC FILING**

**Re: Pennsylvania Public Utility Commission v. Pennsylvania Power Company;  
Docket No. R-2016-2537355**

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Conference Memorandum of Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart"), in the above-referenced matters.

This document was filed electronically with the Commission on this date. All parties are being served a copy of this document in accordance with the enclosed Certificate of Service.

Please contact me if you have any questions concerning this filing.

Sincerely,

SPILMAN THOMAS & BATTLE, PLLC

By 

Derrick Price Williamson  
Barry A. Naum

BAN/sds

Enclosures

c: Administrative Law Judge Mary D. Long (via E-mail and First-Class Mail)  
Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2016-2537355
	:	
Pennsylvania Power Company	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the following parties to this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by participant).

**VIA E-MAIL & FIRST-CLASS MAIL**

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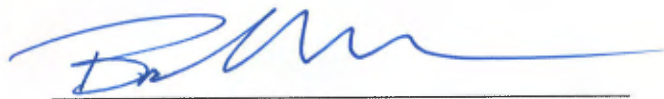
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Barry A. Naum

Dated: June 15, 2016

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2016-2537355
	:	
Pennsylvania Power Company	:	

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**PREHEARING CONFERENCE MEMORANDUM OF  
WAL-MART STORES EAST, LP AND SAM'S EAST, INC.**

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Pursuant to the Prehearing Conference Order issued on June 9, 2016, by Administrative Law Judge ("ALJ") Mary D. Long, Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart"), hereby submit this Prehearing Memorandum in the above-captioned proceeding.

**I. HISTORY OF THE PROCEEDING**

On April 28, 2016, Pennsylvania Power Company ("Penn Power" or "Company"), filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") Supplement No. 17 to the Company's Tariff Electric – Pa. P.U.C. No. 36 (the "Filing"), representing a request for a general increase in the Company's electric distribution rates of approximately \$42 million, or 8.43% above current rates. On June 15, 2016, Walmart filed a Petition to Intervene to participate in this proceeding. A description of Walmart is set forth in its Petition to Intervene.

**II. REPRESENTATION AND SERVICE CONTACT**

Walmart is represented by counsel with contact information as follows:

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### **III. ANTICIPATED ISSUES**

Walmart is still evaluating Penn Power's Filing and anticipates being informed by the record created in this case. At this preliminary stage, however, Walmart plans to pay careful attention to the proposed overall revenue increase, the allocation of costs among the various rate schedules, and Penn Power's proposed overall Return on Equity of 11.5%. Walmart anticipates pursuing these issues during this proceeding and reserves the right to raise further issues and to respond to all matters raised by other parties.

### **IV. PROPOSED WITNESSES AND EVIDENCE**

Walmart is still in the process of evaluating whether it will sponsor testimony in this proceeding. In the event Walmart decides to sponsor testimony, Walmart will likely submit testimony from Steve W. Chriss, Senior Manager, Energy Regulatory Analysis, and will promptly inform the parties and the ALJ if this changes. Regardless, Walmart reserves the right to participate in this proceeding and adduce evidence through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

### **V. PROPOSED SCHEDULE AND DISCOVERY RULES**

Walmart will cooperate with the ALJ and the parties to formulate a reasonable procedural schedule and discovery rules in accordance with the Commission's regulations and ALJ directives.

## VI. SETTLEMENT

Walmart is willing to participate in settlement discussions so as to narrow or resolve issues in dispute among the parties.

Respectfully submitted,

By 

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Counsel to Wal-Mart Stores East, LP and Sam's East, Inc.

Dated: June 15, 2016