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June 16, 2016

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

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. Metropolitan Edison Company
Docket No. R-2016-2537349, C-2016-2543247, C-2016-2544355, C-2016-2549370, C-
2016-2549787**

Dear Secretary Chiavetta:

Attached please find for filing with the Pennsylvania Public Utility Commission the Prehearing Memorandum of the Met-Ed Industrial Users Group ("MEIUG") regarding the above-referenced proceeding.

As shown on the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

A handwritten signature in cursive script that reads 'Alessandra L. Hylander'.

By

Alessandra L. Hylander

Counsel to the Met-Ed Industrial Users Group

Enclosure

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

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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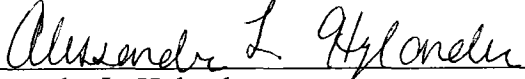
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Alessandra L. Hylander

Counsel to the Met-Ed Industrial Users Group

Dated this 16th day of June, 2016, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et al	:	R-2016-2537349
	:	C-2016-2543247
v.	:	C-2016-2544355
	:	C-2016-2549370
Metropolitan Edison Company	:	C-2016-2549787

**PREHEARING MEMORANDUM OF
THE MET-ED INDUSTRIAL USERS GROUP**

Pursuant to Administrative Law Judge ("ALJ") Mary D. Long's June 9, 2016, Prehearing Conference Order, the Met-Ed Industrial Users Group ("MEIUG") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On April 28, 2016, Metropolitan Edison Company ("Met-Ed" or "Company") filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") its Supplement No. 23 to Tariff Electric Pa. P.U.C. No. 52, proposed to become effective on June 27, 2016. Through this filing, Met-Ed requested a distribution rate increase of \$140.2 million and a proposed Return on Equity ("ROE") of 10.9%. In addition, the Company proposed minor changes to the rate design for Large Commercial and Industrial ("C&I") customers in its service territory.

On June 6, 2016, MEIUG filed a Complaint to Met-Ed's filing. A description of MEIUG is set forth in Paragraph 6 of its Complaint.

A Prehearing Conference has been scheduled in this proceeding for June 17, 2016.

II. SERVICE LIST

For purposes of service in the above-captioned proceeding, please direct all communications to:

Charis Mincavage (Pa. I.D. No. 82039)
Vasiliki Karandrikas (Pa. I.D. No. 89711)
Kenneth Stark (Pa. I.D. No. 312945)
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III. ANTICIPATED ISSUES AND SUB-ISSUES

MEIUG's preliminary review of Met-Ed's filing indicates the need for Commission investigation into at least the following issues:

- (a) whether the size of Met-Ed's requested rate increase is appropriate;
- (b) whether the expenses claimed by Met-Ed were prudently incurred;
- (c) whether the allocation of the proposed distribution rate increase between and among Met-Ed's customer classes is just, reasonable, and non-discriminatory;
- (d) whether Met-Ed's proposed rate structure and rate design is appropriate;
- (e) whether the 10.9% return on equity proposed by Met-Ed results in a fair rate of return;
- (f) whether Met-Ed's claimed costs of service are accurate, legitimate, and appropriately allocated;
- (g) whether implementation of the proposed changes to Met-Ed's rules and riders are appropriate and lawful; and,
- (h) whether Met-Ed's proposed tariff changes result in unjust and unreasonable service for customers.

MEIUG anticipates pursuing these issues during this proceeding and also reserves the right to raise further issues and to respond to all matters raised by other parties.

IV. PROPOSED WITNESSES

MEIUG expects to sponsor expert testimony regarding the aforementioned issues by the following witnesses:

Mr. Jeffry Pollock
J. Pollock, Inc.
12647 Olive Blvd, Suite 585
St. Louis, MO 63141
Phone: (314) 878-5814
JCP@jpollockinc.com

Ms. Billie LaConte
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MEIUG reserves the right to modify or supplement this witness list during the course of this proceeding. In the event that MEIUG decides to modify or supplement the witness list, it will inform the parties and the ALJ as soon as possible of the intended witnesses. MEIUG also intends to participate in this proceeding 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

MEIUG will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ.

VI. STATEMENT OF EVIDENCE

MEIUG's witnesses plan to submit Direct Testimony, as well as Rebuttal and Surrebuttal Testimony, as necessary, in addition to providing evidence, in the form of cross-examination and exhibits, at the Hearing related to the issues and sub-issues as mentioned above.

VII. PROTECTIVE ORDER

MEIUG will cooperate with the ALJ and the parties at the Prehearing Conference to develop a protective order in accordance with the Commission's regulations and any directives issued by the ALJ.

VIII. POSSIBILITY OF SETTLEMENT

MEIUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By Alessandra L. Hylander

Charis Mincavage (Pa. I.D. No. 82039)

Vasiliki Karandrikas (Pa. I.D. No. 89711)

Kenneth Stark (Pa. I.D. No. 312945)

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Counsel to the Met-Ed Industrial Users Group

Dated: June 16, 2016