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File #: 2507/140069

July 24, 2009

James J. McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
PO Box 3265
Harrisburg, PA 17105-3265

RE: Petition of PPL Electric Utilities Corporation for Approval of an Energy Efficiency and Conservation Plan - Docket No. M-2009-2093216

Dear Secretary McNulty:

Enclosed, for filing, is the original Prehearing Memorandum of PPL Electric Utilities Corporation in the above-referenced proceeding.

As indicated on the certificate of service, copies are being provided to the parties in the manner indicated.

Respectfully Submitted,

Andrew S. Tubbs

AST/jl
Enclosures
cc: Honorable Susan D. Colwell

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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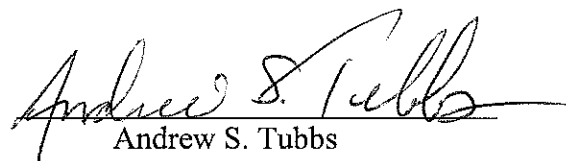
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Date: July 24, 2009


Andrew S. Tubbs

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities	:	
Corporation for Approval of an Energy	:	Docket No. M-2009-2093216
Efficiency and Conservation Plan	:	

**PREHEARING MEMORANDUM OF
PPL ELECTRIC UTILITIES CORPORATION**

TO ADMINISTRATIVE LAW JUDGE SUSAN D. COLWELL:

PPL Electric Utilities Corporation ("PPL Electric") hereby submits this Prehearing Conference Memorandum in compliance with the Prehearing Conference Order issued by Administrative Law Judge Susan D. Colwell ("ALJ") on July 1, 2009.

I. BACKGROUND

On July 1, 2009, PPL Electric filed the above-captioned Petition with the Pennsylvania Public Utility Commission ("Commission"). In the Petition, PPL Electric requested Commission approval of PPL Electric's Energy Efficiency and Conservation Plan ("EE&C Plan" or "Plan") filed pursuant to the Implementation Order the Commission issued in Docket No. M-2008-2069887.¹ The EE&C Plan includes a broad portfolio of energy efficiency programs, conservation practices and peak load reductions, renewable technologies, and energy education initiatives. These integrated programs are designed to meet the goals established by Sections 2806.1 and 2806.2 of Act 129.²

In addition, to the extent necessary, PPL Electric has requested that the Commission make the following specific findings: (1) approve application of the Section 2806.1(g) 2% cost

¹ *Energy Efficiency and Conservation Program Implementation Order*, Docket No. M-2008-2069887, entered on January 16, 2009 ("Implementation Order"), Reconsideration Order entered May 2, 2009.

² Act 129 of 2008 ("Act 129"), P.L. 1592, 66 Pa. C.S. §§ 2806.1 and 2806.2.

cap on a total EE&C Plan basis and waive application of the cost cap on a strictly annual basis; (2) allow retroactive eligibility for those customers who install, or commit to install, qualifying equipment and services for applicable programs between July 1, 2009 and Commission approval of the Plan; and (3) allow PPL Electric to enter into contracts with CSPs that extend beyond May 31, 2013.

The Office of Consumer Advocate and the Office of Small Business Advocate filed Notices of Intervention. The Office of Trial Staff filed a Notice of Appearance. In addition, Petitions to Intervene were filed by the Sustainable Energy Fund of Central Eastern Pennsylvania, UGI Utilities, Inc., – Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. (“UGI”), Eric Joseph Epstein, the Pennsylvania Department of Environmental Protection, Citizens for Pennsylvania’s Future, Richards Energy Group and the PP&L Industrial Customer Alliance. On July 10, 2009, PPL Electric filed an Answer in opposition to the UGI companies’ Petition to Intervene.

On July 1, 2009, the ALJ issued a Prehearing Conference Order which directed the parties to file prehearing conference memoranda on or before July 24, 2009. Pursuant to the ALJ’s Order, PPL Electric hereby submits its Prehearing Memorandum.

II. COUNSEL

The attorney upon whom documents should be served is:

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III. SETTLEMENT

To date no formal settlement discussions have been held. However, throughout the preparation of this EE&C Plan, PPL Electric pursued opportunities to solicit input from and inform stakeholders of the PPL Electric's progress. Input was gathered from three formal large group meetings and many informal meetings with individual stakeholders. Furthermore, the Plan incorporates elements of PPL Electric's coordination activities with Pennsylvania's other electric distribution companies, including ideas, insights, and, where appropriate, consistent program features, design elements, and implementation details. This stakeholder process should assist the parties' and the Commission's review of the Plan and serve to expedite approval of the Plan, thereby allowing more time to prepare for implementation and expanding the opportunities for consumer savings. Moreover, PPL Electric is interested in pursuing settlement negotiations with the parties and will propose to schedule a settlement conference with interested parties in the near future.

IV. DISCOVERY

PPL Electric has been served with several sets of discovery and, consistent with the ALJ's Prehearing Conference Order, PPL Electric is making best efforts to serve, in a timely manner, its responses to all discovery requests that have not been subject to written objection. PPL Electric is willing to participate in informal discovery with the other parties.

V. PROCEDURAL SCHEDULE

The procedural schedule for this proceeding is set forth in the ALJ's Prehearing Conference Order.

VI. WITNESSES AND ISSUES

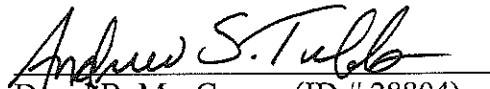
PPL Electric included the direct testimony of the following witnesses in the July 1, 2009 filing of its EE&C Plan and expects to present these witnesses at the evidentiary hearings:

- i. Peter D. Cleff, Manager – Energy Efficiency Program, PPL Electric Utilities Corporation. 2 North Ninth Street, Allentown, PA 18101 (610) 774-4530. Mr. Cleff will address the objectives, philosophy and process PPL Electric applied in preparing the EE&C Plan;
- ii. Dr. M. Hossein Haeri, Principal, The Cadmus Group, 720 SW Washington Street, Suite 400 Portland, OR 97205, (503) 228-2992. Dr. Haeri will address the PPL Electric's performance requirements; how the Plan was developed; how the Plan will meet identified performance requirements; and how the Plan complies with Act 129 and the Commission's Implementation Order;
- iii. Douglas A. Krall, Manager – Regulatory Strategy, PPL Electric Utilities Corporation. 2 North Ninth Street, Allentown, PA 18101 (610) 774-5736. Mr. Krall will address the time of use programs PPL Electric is proposing in its EE&C Plan; and
- iv. Joseph M. Kleha, Manager – Regulatory Compliance and Rates, PPL Electric Utilities Corporation. 2 North Ninth Street, Allentown, PA 18101 (610) 774-4486. Mr. Kleha will address cost development, cost allocation and cost recovery issues.

PPL Electric reserves the right to substitute witnesses or add witnesses, as appropriate, depending upon how the proceeding develops and what issues are raised by the other parties.

In response to Paragraph 8 of the Prehearing Conference Order, PPL Electric's interpretation of the issues in this proceeding and its position on these issues are set forth in PPL Electric's Petition. PPL Electric submitted testimony consistent with the facts set forth in its Petition in this proceeding. In addition, PPL Electric will respond to any other issues raised by other parties in this proceeding.

Respectfully submitted,



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Of Counsel:

Post & Schell, P.C.

Date: July 24, 2009

Attorneys for PPL Electric Utilities Corporation