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November 8, 2010

BY HAND

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

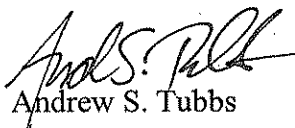
**RE: Petition of PPL Electric Utilities Corporation for Approval of Changes to its Act 129
Energy Efficiency and Conservation Plan - Docket No. M-2009-2093216**

Dear Secretary Chiavetta:

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

Copies have been provided to the persons as indicated on the Certificate of Service.

Respectfully Submitted,


Andrew S. Tubbs

AST/jl

Enclosures

cc: Honorable Elizabeth H. Barnes (*via E-mail & First Class Mail*)
Honorable Dennis J. Buckley (*via E-mail & First Class Mail*)
Certificate of Service

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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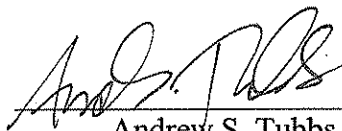
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Date: November 8, 2010



Andrew S. Tubbs

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities
Corporation for Approval of Changes to its
Act 129 Energy Efficiency and
Conservation Plan

Docket No. M-2009-2093216

**PREHEARING MEMORANDUM OF
PPL ELECTRIC UTILITIES CORPORATION**

TO ADMINISTRATIVE LAW JUDGES DENNIS J. BUCKLEY & ELIZABETH H. BARNES:

PPL Electric Utilities Corporation (“PPL Electric” or “Company”) hereby submits this Prehearing Conference Memorandum in compliance with the Prehearing Conference Order issued by Administrative Law Judges Dennis J. Buckley and Elizabeth H. Barnes (“the ALJs”) on November 4, 2010.

I. BACKGROUND

On July 1, 2009, PPL Electric filed its Energy Efficiency and Conservation Plan (“EE&C Plan”) with the Commission, pursuant to Act 129 and various related Commission orders. The PPL Electric EE&C Plan proceeding was docketed by the Commission at Docket No. M-2009-2093216. The Commission approved PPL Electric’s EE&C Plan, with modifications, on October 26, 2009, in *Petition of PPL Electric Utilities Corporation for Approval of its Energy Efficiency and Conservation Plan*, Docket No. M-2009-2093216 (Order Entered October 26, 2009) (“*EE&C Order*”).¹ PPL Electric’s EE&C Plan includes a broad portfolio of energy efficiency, conservation practices and peak load reductions, and energy education initiatives. PPL Electric’s portfolio of programs is designed to provide customer benefits and to meet the

energy saving and peak load reduction goals set forth in Act 129. The EE&C Plan includes a range of energy efficiency and demand response programs that include every customer segment in PPL Electric's service territory. These programs are the key components of a comprehensive electric energy efficiency initiative designed to achieve the 1,146,000 MWh of reduced energy consumption and 297 MW of peak demand reductions required by Act 129.

In approving PPL Electric's EE&C Plan, the Commission established a process for the Company to follow to request modifications to its approved plan. Pursuant to the Commission's *EE&C Order*, PPL Electric identified two proposed modifications to its currently effective EE&C Plan which require prior Commission approval. As more fully explained in PPL Electric's *Petition for Approval of Changes to its Act 129 Energy Efficiency and Conservation Plan* ("Petition") filed on September 15, 2010, PPL Electric requests Commission approval to modify two aspects of its EE&C Plan: (1) a change to its Compact Fluorescent Lighting Program; and (2) a change to the classification of direct and common costs.

Consistent with the Commission's directives, on September 15, 2010, pursuant to Section 5.41 of the Commission's Rules of Administrative Practice and Procedure, 52 Pa. Code § 5.41, and consistent with the Commission's annual reporting requirements in its June 24, 2010 Secretarial Letter at Docket No. M-2008-2069887 ("Secretarial Letter"), PPL Electric requested to modify its EE&C Plan previously approved by the Commission in the above-captioned proceeding. In addition, consistent with the Commission's orders, the Company filed its Act 129 EE&C Program Year 1 Annual Report ("PY1 Annual Report").

¹ The EE&C Plan was further revised by *Petition of PPL Electric Utilities Corporation for Approval of its Energy Efficiency and Conservation Plan*, Docket No. M-2009-2093216 (Order Entered February 17, 2010).

On October 5, 2010, the Office of Small Business Advocate (“OSBA”) filed an Answer to PPL Electric’s Petition. On October 15, 2010, comments were filed by the UGI Distribution Companies² and the Pennsylvania Communities Organizing for Change (“PCOC”). The PP&L Industrial Customer Alliance (“PPLICA”) filed a letter on October 15, 2010, indicating that it would not be filing any comments. Subsequently, on October 19, 2010, PPLICA filed comments.

On November 4, 2010, PPL Electric filed a *Reply of PPL Electric Utilities Corporation* (“Reply”) in response to the pleadings filed by OSBA, the UGI Distribution Companies, PCOC and PPLICA.

On November 4, 2010, a Prehearing Conference Order was issued which directed the parties to file prehearing conference memoranda on or before November 10, 2010. Pursuant to the Prehearing Conference Order, PPL Electric hereby submits its Prehearing Memorandum.

II. COUNSEL

The attorney upon whom documents should be served is:

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PPL Electric also requests that Mr. Russell, Mr. MacGregor and Mr. Agen be added to any informal e-mail distribution lists for this proceedings. Mr. Russell’s e-mail address is

² The UGI Distribution Companies consist of UGI Utilities, Inc. - Gas Division, UGI Penn Natural Gas, Inc., and UGI Central Penn Gas, Inc.

perussell@pplweb.com, Mr. MacGregor's e-mail address is dmacgregor@postschell.com, and Mr. Agen's e-mail address is matthewagen@postschell.com.

III. SETTLEMENT

PPL Electric is interested in pursuing settlement negotiations with the parties to attempt to resolve all or some of the issues raised in this proceeding.

IV. DISCOVERY

PPL Electric does not propose any discovery rules that are different than those provided in the Commission's regulations. 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 Prehearing Conference Order. Although PPL Electric does not object to procedural schedule set by the ALJs, PPL Electric proposes that the schedule be modified to provide the service of direct testimony by all interested parties on November 15, 2010. The service of direct testimony will serve to identify issues and arguments that will be presented at the hearing scheduled for November 17, 2010.

VI. WITNESSES AND ISSUES

The issues raised by PPL Electric in its Petition and those by the other parties in their answer and/comments are limited to a handful of discrete issues. Therefore, this proceeding should be limited in scope and not result in parties seeking to reargue, expand or fundamentally change PPL Electric's existing EE&C plan. However, it is PPL Electric's position that the service of direct testimony on these limited issues will be of assistance to the parties and to the

ALJs. PPL Electric proposes to file direct testimony and expects to present the following witness at the evidentiary hearings:

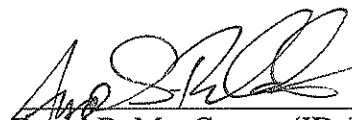
- Peter D. Cleff, Manager – Energy Efficiency Program, PPL Electric Utilities Corporation. 2 North Ninth Street, Allentown, PA 18101, (610) 774-4530. Mr. Cleff will address the two proposed modifications to the EE&C Plan discussed in the Petition, other implementation changes to the EE&C Plan's programs and individual measures that were identified in its PY1 Annual Report but not subject to the Petition including, the reporting of the incentive costs, modifications to the EE&C Plan to reflect changes to the technical resource manual, information regarding customers that have switched to electric appliances from gas appliances and measures targeted to multi-family properties.

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.

As addressed fully in PPL Electric's Petition and its Reply, PPL Electric has, consistent with the Commission's Order approving its EE&C Plan, requested Commission approval to modify two aspects of its EE&C Plan that would result in the shifting of program funds within a customer class, or between customer classes. PPL Electric anticipates submitting testimony consistent with the facts set forth in its Petition and its Reply 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:
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Date: November 8, 2010

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