

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :  
Corporation for Approval of a Default :  
Service Program and Procurement Plan : Docket No. P-2012-2302074  
for the Period June 1, 2013 through May :  
31, 2015 :

**PREHEARING CONFERENCE MEMORANDUM OF  
FIRSTENERGY SOLUTIONS CORP.**

TO ADMINISTRATIVE LAW JUDGE SUSAN D. COLWELL:

FirstEnergy Solutions Corp. ("FES"), by and through its undersigned attorneys, hereby submits this Prehearing Conference Memorandum in accordance with the Prehearing Order issued by Administrative Law Judge Susan D. Colwell on May 9, 2012.

**I. Introduction**

FES is a subsidiary of FirstEnergy Corp., a diversified energy services holding company headquartered in Akron, Ohio. FES is experienced in wholesale and retail electric markets, and offers wholesale and retail energy and related products to customers located throughout the Mid-Atlantic and Midwest regions. FES has actively participated in default service supply procurements of all the largest electric distribution companies ("EDCs") in Pennsylvania, and anticipates that it may participate in the programs for which the Petitioner, PPL Electric Utilities Corporation ("PPL"), seeks approval of the Pennsylvania Public Utility Commission ("Commission") at this docket. FES is a licensed electric generation supplier ("EGS") in Pennsylvania, having been authorized at Docket No. A-110078 to serve all categories of retail customers throughout the Commonwealth.

## II. History of the Proceeding

On or about May 1, 2012, PPL filed a Petition requesting approval of its Default Service Program ("Petition") for the period June 1, 2013 through May 31, 2015. The Petition requests Commission approval of a Default Service Program to establish the terms and conditions under which PPL will procure and supply default service, recover the costs of default service, and meet the requirements of the Alternative Energy Portfolio Standards Act for that period. In addition, the Petition proposes customer education mailings in 2012, a new/moving customer referral program, a Standard Offer Customer Referral Program, a Retail Opt-In Auction, and a Customer Referral Mailing (collectively, "market enhancement programs"), to address guidelines developed by the Commission in its statewide Investigation of the retail electricity market at Docket No. I-2011-2237952. As a result of the Investigation, the Commission entered Orders on December 16, 2011 and March 2, 2012 giving guidance on the format and structure of Pennsylvania EDCs' default service programs, and programs intended to enhance retail electric competition in the Commonwealth, including the programs proposed by PPL at this docket. FES has actively participated in the Investigation.

On May 19, 2012, Notice of the Petition was published in the *Pennsylvania Bulletin*, with a deadline to file formal protests, petitions to intervene and answers on or before June 4, 2012. 42 Pa.B. 2871. On June 1, 2012, FES filed its petition to intervene. As indicated in its petition to intervene, which FES incorporates by reference, FES has a direct interest in this proceeding, both as a potential wholesale and retail generation supplier. Accordingly, FES respectfully requests that the Administrative Law Judge grant it party status.

### **III. Entry on Service List**

For purposes of the service list in the proceeding, communications to FES may be directed to its attorneys as follows:

Amy M. Klodowski, Esq.  
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FES respectfully requests that all communications to it concerning this proceeding, including any communications intended for the witness tentatively designated by FES below, be directed to FES's attorneys.

### **IV. Presently Identified Issues and Witnesses**

While FES has reviewed the Petition and PPL's direct testimony, FES is still identifying issues that may require further review and formulating its positions. The following represents a list of issues in this proceeding which FES has identified to date, and is not intended to be exhaustive:

- a. The manner in which the competitive processes by which PPL will procure wholesale power to serve its default service customers will be administered. FES, as a potential participant in those processes, is interested in any effects such processes may have on wholesale generation markets.
- b. Any effects the competitive procurement processes and PPL's proposed default service products and rate design may have on retail electric

competition in Pennsylvania. FES, as a licensed EGS that currently serves retail electric generation customers in Pennsylvania, is interested in identifying and addressing such effects if necessary.

- c. The design of PPL's proposed market enhancement programs. FES, as a potential participant in these proposed programs which the Commission has recommended to further develop retail electric competition, is interested in the design of these programs.

As this proceeding progresses, PPL and other parties serve written testimony, and more information becomes available through discovery, FES may expand or modify its issues of interest. FES reserves the right to address additional issues it identifies during the course of this proceeding.

FES's final designation of witnesses will depend on the definitive list of issues it identifies, as well as the hearing dates scheduled in this proceeding. FES reserves the right to change its designation of witnesses and their areas of testimony as this proceeding develops, issues are identified, and hearing dates are scheduled. Subject to the foregoing, FES has tentatively identified the following witness to submit testimony relating to the issues identified to date:

Tony C. Banks  
Vice President, Competitive Market Policies  
FirstEnergy Solutions Corp.  
341 White Pond Drive  
Akron, OH 44320

## **V. Procedural Schedule and Discovery**

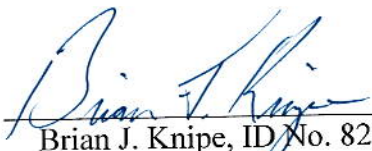
FES will work with PPL and the other participants to establish a mutually agreeable procedural schedule, including any necessary modifications to the Commission's rules governing

discovery. Because FES presently intends to call Mr. Banks as its witness in this proceeding as well as in the default service proceeding of Duquesne Light Company which is pending at Docket No. P-2012-2301664, FES is concerned with coordinating deadlines in these proceedings to avoid conflicting dates, or identical deadlines that have not allowed sufficient lead time from the immediately preceding deadlines.

## VI. Settlement

FES is interested in settling as many issues as possible and will engage in discussions with PPL and all parties to establish consensus.

Respectfully submitted,

By:   
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Dated: June 1, 2012

Attorneys for FirstEnergy Solutions Corp.

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Corporation for Approval of a Default :  
Service Program and Procurement : No. P-2012-2302074  
Plan for the Period June 1, 2013 :  
Through May 31, 2015 :

**CERTIFICATE OF SERVICE**

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

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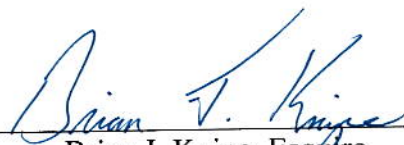
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Date: June 1, 2012

  
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