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December 6, 2012

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

VIA ELECTRONIC FILING

RE: Petition of PPL Electric Utilities Corporation for Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan; Docket No. M-2012-2334388

Dear Secretary Chiavetta:

Enclosed please find for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum of PP&L Industrial Customer Alliance ("PPLICA") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', is written over a horizontal line. The signature is fluid and cursive.

Adeolu A. Bakare

Counsel to PP&L Industrial Customer Alliance

Enclosures

c: Administrative Law Judge Dennis J. Buckley (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).

VIA E-MAIL AND FIRST-CLASS MAIL

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Adeolu A. Bakare

Counsel to the PP&L Industrial Customer Alliance

Dated this 6th day of December, 2012, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
for Approval of its Act 129 Phase II : Docket No. M-2012-2334388
Energy Efficiency and Conservation Plan :

**PREHEARING MEMORANDUM
OF THE PP&L INDUSTRIAL CUSTOMER ALLIANCE**

Pursuant to the Prehearing Conference Order issued by Administrative Law Judge ("ALJ") Dennis J. Buckley, the PP&L Industrial Customer Alliance ("PPLICA") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On November 15, 2012, PPL petitioned the Commission for approval of the Company's Phase II Energy Efficiency & Conservation ("EE&C") Plan. PECO's Petition for Approval of its Phase II EE&C Plan ("Petition") outlines PPL's proposal to address the requirements of Act 129 and the PUC's Phase II Implementation Order entered August 3, 2012, at Docket Nos. M-2008-2069887 and M-2012-2289411 ("Implementation Order") through energy efficiency programs designed to achieve an overall 2.1% consumption reduction for residential, government, institutional, non-profit, commercial, and industrial customers. The Phase II EE&C Plan follows PPL's currently effective Phase I EE&C Plan, which was approved by the Commission on December 28, 2009, and will expire on May 31, 2013.

PPLICA has filed a Petition to Intervene on December 6, 2012, contemporaneously with this Prehearing Memorandum. A description of PPLICA is set forth in Paragraph 6 of PPLICA's Petition to Intervene. PPLICA's Petition to Intervene is pending and awaits the disposition of ALJ Buckley.

II. ANTICIPATED ISSUES AND SUBISSUES

PPLICA is still in the process of evaluating the Company's proposal; however, after a preliminary review, PPLICA has identified limited areas of concern. PPLICA members are interested in issues regarding the terms and conditions of their electricity service, including their rates and any rate increases imposed as a result of the Company's Phase II EE&C Plan; issues of concern include the reasonableness of program costs, the allocation of those costs for rate recovery, and the design of any rate recovery mechanism. PPLICA is particularly concerned about the relative increase in total portfolio spending allocated to large commercial and industrial ("C&I") customers, compared with the proportional class allocations for PPL's Phase I EE&C Plan. PPLICA also seeks to evaluate the reasonableness of decreases to maximum rebates under several Phase II EE&C program measures available to large C&I customers. PPLICA 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.

III. PROPOSED WITNESSES

PPLICA is still evaluating whether it will present any witnesses in this proceeding. If PPLICA determines that it will present such witnesses, PPLICA will inform the ALJ and the other parties as soon as possible. PPLICA also preserves its right 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.

IV. PROPOSED SCHEDULE

PPLICA does not oppose the schedule proposed in the Prehearing Order and will work with other parties and the ALJ to address any additional schedule proposals.

V. POSSIBILITY OF SETTLEMENT

PPLICA 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 

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Dated: December 6, 2012