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December 18, 2012

VIA E-FILING

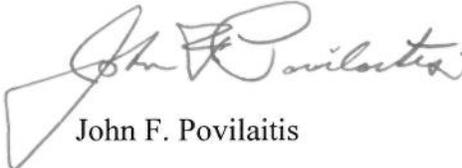
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Petition for Approval of its Act 129 Phase II Energy Efficiency and Conservation Plans of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company Plan and West Penn Power Company; Docket Nos. M-2012-2334392, M-2012-2334387, M-2012-2334395 and M-2012-2334398

Dear Secretary Chiavetta:

On behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (the "Companies"), enclosed for electronic filing is a Prehearing Memorandum. Please contact me if you have any questions regarding the forgoing matters. Copies have been served as indicated in the attached certificate of service.

Very truly yours,



John F. Povilaitis

JFP/kra

Enclosure

cc: Administrative Law Judge Elizabeth H. Barnes

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Metropolitan Edison Company for Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan	:	:	Docket No. M-2012-2334392
	:	:	
Petition of Pennsylvania Electric Company For Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan	:	:	Docket No. M-2012-2334387
	:	:	
Petition of Pennsylvania Power Company For Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan	:	:	Docket No. M-2012-2334395
	:	:	
Petition of West Penn Power Company For Approval of its Act 129 Phase II Energy Efficiency and Conservation Plan	:	:	Docket No. M-2012-2334398

**PREHEARING MEMORANDUM OF METROPOLITAN EDISON COMPANY,
PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER
COMPANY AND WEST PENN POWER COMPANY**

TO THE HONORABLE ELIZABETH H. BARNES:

Pursuant to the Prehearing Order of the Presiding Officer, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, the “Companies”), by and through its counsel, submit this Prehearing Memorandum:

I. Name and Address of the Companies’ Legal Representation

The attorney authorized to accept service for purposes of the Pennsylvania Public Utility Commission’s (“Commission”) service list is:

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Parties are requested to also serve documents on the following attorney as a courtesy:

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II. History of the Proceeding

On October 15, 2008 Governor Rendell signed into law Act 129 of 2008 ("Act 129"), which took effect on November 14, 2008. Among other things, Act 129 requires electric distribution companies ("EDCs") in Pennsylvania with at least 100,000 customers to file energy efficiency and conservation ("EE&C") plans. *See* 66 Pa.C.S. § 2806.1(b).

Under Act 129, the Commission is responsible for evaluating the costs and benefits of an EDC's EE&C Plan by November 30, 2013.¹ Should the benefits of the reductions in consumption in Phase I of the EE&C Plan exceed the costs, the

¹ Additional evaluations are due every five years. 66 Pa.C.S. § 2806.1(c)(3).

Commission must review and approve additional reductions in consumption in the form of a Phase II EE&C Plan.

On August 3, 2012, the Commission entered an Order that set forth mandatory Phase II consumption reductions for EDCs subject to Act 129.² Met-Ed, Penelec, Penn Power and West Penn are subject to Act 129's requirements. This Implementation Order established new consumption reduction benchmarks for Met-Ed, Penelec, Penn Power and West Penn which would be implemented through the filing of a Phase II EE&C Plan.³

On November 13, 2012, the Companies filed with the Commission a Joint Petition requesting approval of their respective Phase II EE&C Plans. The matter was assigned to Administrative Law Judge Elizabeth H. Barnes ("the ALJ"). On November 29, 2012, the ALJ issued a Prehearing Conference Order scheduling an Initial Prehearing Conference for Wednesday, December 9, 2012 and setting Tuesday, December 18, 2012 as the deadline for the parties to serve prehearing conference memoranda.

Notice of the Phase II EE&C Plans was published in the December 1, 2012 Pennsylvania Bulletin with a deadline of December 21, 2012 for responsive pleadings along with comments and recommendations. 42 Pa.B. 7372. On December 14, 2012, the Companies filed with the Commission and served on the ALJ and all Parties a Joint Motion for entry of a Protective Order. The Prehearing Conference Order directs the parties to be prepared for a discussion of the ALJ's proposed procedural schedule, requests for a public input session, protective orders, petitions to intervene as well as any

² *Energy Efficiency and Conservation Program*, Docket Nos. M-2012-2289411, M-2008-2069887 (August 3, 2012) ("Implementation Order").

³ On August 20, 2012, the Companies filed their challenge to the proposed Phase II reduction goals. Although an Order has not been received yet, this challenge was rejected by the Commission at Public Meeting held December 5, 2012.

other anticipated procedural or substantive issues.⁴ At the Prehearing Conference, the Companies will be requesting consolidation of these cases and entry of the proposed Protective Order by the ALJ.

III. Witnesses and Subject Matter of Testimony

The Companies' testimony in this matter has been presented by John C. Dargie, Edward C. Miller and Kevin M. Siedt. Mr. Dargie describes the Companies and provides an overview of the Phase II EE&C Plan. Mr. Miller addresses all issues relating to the Phase II EE&C Plan development, Plan Risks and Program Goals. Mr. Siedt testifies on cost recovery and reconciliation of program costs.

IV. Proposed Procedural Schedule

The Companies accept the procedural schedule proposed by the ALJ, but recommend that all Parties' witnesses be permitted to offer oral rebuttal testimony at hearing, given the time available for rounds of testimony.

V. Consolidation

The Companies request that the Phase II EE&C Plans be consolidated for purposes of hearing, argument and decision by the Commission. Consolidation will permit efficient use of Parties' resources. Should a Party pursue an issue that only affects one, some but not all of the Companies; their materials can make that clear and avoid any confusion for the Commission and its staff.

VI. Discovery

The Companies have been responding to formal discovery served by several Parties and on December 14, 2012, made Mr. Miller and Mr. Siedt available to Parties for informal discovery. Due to the short interval between receipt of the Intervenors Direct

⁴ Prehearing Conference Order at 3.

Testimony and the proposed hearing dates, the Companies propose that answers to discovery on Intervenor Direct Testimony be provided by noon on January 14, 2013 and that answers be provided informally to the extent feasible. Also, the Companies propose that reasonable on-the record data requests should be served on a best efforts basis.

VII. Settlement

The rapid pace of this proceeding may limit that feasibility of settlement discussions, but the Companies will participate in any settlement discussions and informal resolution of issues to the extent other Parties are amenable to such discussions.

Respectfully submitted,

Dated: December 18, 2012


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Power Company and West Penn Power Company

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition for Approval of its Act 129	:	
Phase II Energy Efficiency and	:	Docket Nos. M-2012-2334392
Conservation Plans of Metropolitan Edison	:	M-2012-2334387
Company, Pennsylvania Electric Company,	:	M-2012-2334395
Pennsylvania Power Company Plan and	:	M-2012-2334398
West Penn Power Company	:	

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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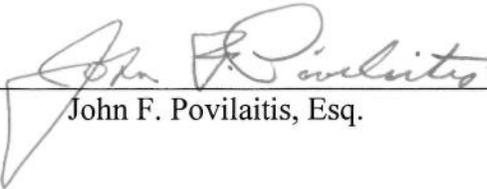
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Date: December 18, 2012



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