



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Teresa K. Schmittberger
Direct Dial: 717.237.5270
Direct Fax: 717.260.1688
tschmittberger@mwn.com

February 15, 2013

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

VIA ELECTRONIC FILING

RE: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of Their Smart Meter Deployment Plan; Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993, and M-2013-2341994


Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum on behalf of the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, the Penn Power Users Group, and the West Penn Power Industrial Intervenors, in the above-referenced proceeding.

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

Sincerely,

McNEES WALLACE & NURICK LLC

By 
Teresa K. Schmittberger

Counsel to the Met-Ed Industrial Users Group,
the Penelec Industrial Customer Alliance,
the Penn Power Users Group, and
the West Penn Power Industrial Intervenors

Enclosures

c: Administrative Law Judge Elizabeth H. Barnes (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

Tanya McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101
tmccloskey@paoca.org


Sharon E. Webb, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 N. Second Street
Harrisburg, PA 17101
swebb@pa.gov

Richard A. Kanaskie, Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265
rkanaskie@pa.gov

Kathy J. Kolich
FirstEnergy Service Company
76 South Main Street
Akron, OH 44309
kjkolich@firstenergycorp.com

John F. Povilaitis
Buchanan, Ingersoll & Rooney, P.C.
409 Second Street, Suite 500
Harrisburg, PA 17101-1357
john.povilaitis@bipc.com

Thomas P. Gadsden, Esq.
Kenneth M. Kulak, Esq.
Catherine G. Vasudevan, Esq.
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
tgadsden@morganlewis.com
kkulak@morganlewis.com
cvasudevan@morganlewis.com



Teresa K. Schmittberger

Counsel to the Met-Ed Industrial Users Group,
Penelec Industrial Customer Alliance, and
Penn Power Users Group, and West Penn Power
Industrial Intervenors

Dated this 15th day of February, 2013, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison Company,	:	M-2013-2341990
Pennsylvania Electric Company, Pennsylvania	:	M-2013-2341991
Power Company, and West Penn Power Company	:	M-2013-2341993
for Approval of Their Smart Meter Deployment Plan	:	M-2013-2341994

**PREHEARING MEMORANDUM OF
THE MET-ED INDUSTRIAL USERS GROUP,
THE PENELEC INDUSTRIAL CUSTOMER ALLIANCE,
THE PENN POWER USERS GROUP, AND
THE WEST PENN POWER INDUSTRIAL INTERVENORS**

As requested by Administrative Law Judge ("ALJ") Elizabeth H. Barnes in the January 30, 2013, Prehearing Conference Order, the Med-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), the Penn Power Users Group ("PPUG"), and the West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups") hereby submit this Prehearing Memorandum.

I. HISTORY OF THE PROCEEDING

On August 14, 2009, pursuant to the requirements of Act 129 and the Commission's Implementation Order entered on June 24, 2009, at Docket No. M-2009-2092655 ("I.O."), the Metropolitan Edison Company ("Met-Ed"), the Pennsylvania Electric Company ("Penelec"), the Pennsylvania Power Company ("Penn Power"), and the West Penn Power Company ("West Penn") (collectively, the "Companies") filed their Act 129 Smart Meter Technology Procurement and Installment Plans ("SMPI Plan") with the Commission. The Commission approved Met-Ed's, Penelec's and Penn Power's SMPI Plans, with modifications, on June 9, 2010, and approved West Penn's SMPI Plan on June 30, 2011.

The I.O. granted Electric Distribution Companies ("EDCs") a 30-month grace period to establish a smart meter deployment plan. On May 25, 2012, the Companies submitted a Petition to extend the grace period to December 31, 2012. The Industrial Customer Groups did not object to the requested time extension. On June 28, 2012, the Commission granted the Companies' Petition, thereby extending the grace period to December 31, 2012, for the Companies to submit their smart meter deployment plan.

On December 31, 2012, the Companies jointly petitioned the Commission for approval of their Smart Meter Deployment Plan ("Deployment Plan" or "Plan"). Specifically, the Companies requested that the Commission: (1) find that the Deployment Plan satisfies the requirements of Act 129 and the I.O.; (2) approve the proposed procurement and deployment of approximately 2.1 million smart meters; (3) authorize recovery of smart meter costs through the Companies' Smart Meter Technologies Charge ("SMT-C") Riders, including recovery of an additional \$5.1 million through West Penn's SMT-C Rider for expenditures made to develop its SMPI Plan between 2009 and 2010; and (4) authorize the Companies to create a regulatory asset for their meter stock that will be replaced by smart meters ("Legacy Meters"), and include the removal cost for these meters as a recoverable Operations and Maintenance ("O&M") expense in the SMT-C of each Company's SMT-C Rider. The Companies estimate the total costs of the Deployment Plan to be approximately \$1.258 billion. To recover these costs, the Companies have each implemented a SMT-C Rider and are not proposing any major changes to those Riders.

On February 7, 2013, the Industrial Customer Groups filed a Joint Petition to Intervene in this proceeding. A description of the Industrial Customer Groups is set forth in Paragraph 7 of the Industrial Customer Groups' Joint Petition to Intervene. The Industrial Customer Groups'

Joint Petition to Intervene awaits disposition by the ALJ.

The names and address of the Industrial Customer Groups' attorneys are:

Susan E. Bruce (I.D. No. 80146)
Charis Mincavage (I.D. No. 82039)
Vasiliki Karandrikas (I.D. No. 89711)
Teresa K. Schmittberger (I.D. No. 311082)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
sbruce@mwn.com
cmincavage@mwn.com
vkarandrikas@mwn.com
tschmittberger@mwn.com

II. ANTICIPATED ISSUES AND SUB-ISSUES

The Industrial Customer Groups are concerned with whether the Companies' Deployment Plan is in the public interest and whether the Deployment Plan is in accordance with Act 129, the I.O., and all other applicable statutes and regulations. In this proceeding, the Industrial Customer Groups plan to pursue issues regarding the terms and conditions of their electricity service, including any rate increases imposed as a result of the Companies' Deployment Plan. The Industrial Customer Groups anticipate pursuing these issues during this proceeding and also reserve the right to raise further issues and to respond to all matters raised by other parties.

III. PROPOSED WITNESSES

The Industrial Customer Groups are still evaluating whether they will present any witnesses in this proceeding. If the Industrial Customer Groups determine that they will present such witnesses, the Industrial Customer Groups will inform the ALJ and the other parties as soon as possible. The Industrial Customer Groups intend 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 AND DISCOVERY RULES


The Industrial Customer Groups do not oppose consolidation of these proceedings and do not oppose the procedural schedule set forth in the Commission's January 30, 2013, Prehearing Conference Order, assuming consolidation of the dockets. Additionally, the Industrial Customer Groups do not intend to participate in Public Input Hearings and will defer to the other parties regarding the necessity of such Public Input Hearings. The Industrial Customer Groups are prepared to discuss protective order issues and issues regarding the petitions to intervene of other parties. Finally, the Industrial Customer Groups will cooperate with the ALJ and the parties at the Prehearing Conference to develop appropriate discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ.

V. POSSIBILITY OF SETTLEMENT

The Industrial Customer Groups are willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 
Susan E. Bruce (I.D. No. 80146)
Charis Mincavage (I.D. No. 82039)
Vasiliki Karandrikas (I.D. No. 89711)
Teresa K. Schmittberger (I.D. No. 311082)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
sbruce@mwn.com
cmincavage@mwn.com
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tschmittberger@mwn.com

Counsel to the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, the Penn Power Users Group, and the West Penn Power Industrial Intervenors

Dated: February 15, 2013