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May 17, 2013

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

**VIA ELECTRONIC FILING**

**RE: Revision to Metropolitan Edison Company Tariff Electric Pa. P.U.C. No. 51,  
Supplement No. 38 – Rate Changes in Compliance with Metropolitan Edison  
Company's Phase II Energy Efficiency and Conservation Plan;  
Docket No. M-2012-2334387**

**Revised Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 80,  
Supplement No. 37 – Rate Changes in Compliance with Pennsylvania Electric  
Company's Phase II Energy Efficiency and Conservation Plan;  
Docket No. M-2012-2334392**

**Revised Pennsylvania Power Company Tariff Electric Pa. P.U.C. No. 35,  
Supplement No. 97 – Rate Changes in Compliance with Pennsylvania Power  
Company's Phase II Energy Efficiency and Conservation Plan;  
Docket No. M-2012-2334395**

**Revised West Penn Power Company Tariff Electric Pa. P.U.C. No. 39,  
Supplement No. 226 – Rate Changes in Compliance with West Penn Power  
Company's Phase II Energy Efficiency and Conservation Plan;  
Docket No. M-2012-2334398**

Dear Secretary Chiavetta:

On May 10, 2013, the Met-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, the "Industrial Customer Groups") submitted a letter to the Pennsylvania Public Utility Commission ("PUC" or "Commission") in response to the above-referenced Revisions as part of the Phase II Energy Efficiency and Conservation ("EE&C") Plan proceeding of the Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power ("West Penn Power") Company (collectively, the "Companies"). In their May 10 letter, the Industrial Customer Groups expressed concerns related to the Companies' final cost collection and reconciliation proposal, specifically the extension of Phase II cost recovery until September 30, 2016, and the collection of Phase II reconciliation costs beginning January 1, 2017.

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Since the filing of this letter, the Companies have reached out to the Industrial Customer Groups to discuss the foregoing concerns. As a result of these discussions,<sup>1</sup> the Industrial Customer Groups will not oppose the Companies' Revisions to their Phase II Riders at this time, subject to review and audit by the PUC. At the time of the audit, the Industrial Customer Groups would request, however, that both the Commission and parties to the instant proceeding receive an accounting of Phase II costs and reconciliation amounts. Providing this cost information to both the Commission and parties will allow for complete review and full transparency related to Phase II costs. Moreover, the Industrial Customer Groups reserve their right to challenge the Companies' final Phase II reconciliation procedure at a future point when more information is available related to the Companies' Phase II cost collection and reconciliation.

In addition, as also noted in the Industrial Customer Groups' May 10 letter, the Companies recently filed an identical final reconciliation proposal with respect to their Phase I EE&C Plans, and this proposal is still under review by the Commission. If, as a result of this Commission review, changes are made to the Companies' Phase I final reconciliation proposal that would also be applicable to the Companies' phase II final reconciliation proposal, the Industrial Customer Groups respectfully request that the same changes be incorporated into the Companies' Phase II final reconciliation procedure.

As shown by the attached Certificate of Service, all parties to the above-referenced proceeding are being duly served with this letter. Please date stamp the extra copy of this letter and kindly return for our filing purposes. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By 

Susan E. Bruce  
Charis Mincavage  
Vasiliki Karandrikas  
Teresa K. Schmittberger

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

c: Administrative Law Judge Elizabeth H. Barnes (via e-mail and First Class Mail)  
Paul Diskin – Bureau of Technical Utility Services (via e-mail and First Class Mail)  
Lori Burger – Bureau of Audits (via e-mail and First Class Mail)  
Certificate of Service

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<sup>1</sup>On May 14, 2013, the Companies filed a letter at the Commission further addressing the Industrial Customer Groups' concerns related to Phase II cost collection and reconciliation.

## 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).

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Certificate of Service  
Docket Nos. M-2012-2334387, M-2012-2334392,  
M-2012-2334395 and M-2012-2334398  
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Dated this 17<sup>th</sup> day of May, 2013, at Harrisburg, Pennsylvania