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August 3, 2016

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

VIA ELECTRONIC FILING

**RE: Petition of Metropolitan Edison Company for Approval to Establish and Implement
a Distribution System Improvement Charge; Docket No. P-2015-2508942**


Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission the Prehearing Memorandum of the Met-Ed Industrial Users Group ("MEIUG") in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to these proceedings are being duly served.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Alessandra L. Hylander

Counsel to the Met-Ed Industrial Users Group

/leh

Enclosures

c: Administrative Law Judge Joel H. Cheskis (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).

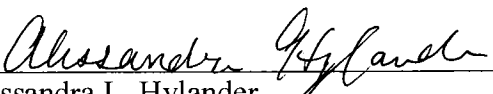
VIA E-MAIL AND FIRST-CLASS MAIL

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Alessandra L. Hylander

Counsel to the Met-Ed Industrial Users Group

Dated this 3rd day of August, 2016, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Metropolitan Edison Company for :
Approval to Establish and Implement : Docket No. P-2015-2508942
a Distribution System Improvement Charge :

**PREHEARING MEMORANDUM OF
THE MET-ED INDUSTRIAL USERS GROUP**

Pursuant to Administrative Law Judge ("ALJ") Joel H. Cheskis' July 28, 2016, Prehearing Conference Order, the Met-Ed Industrial Users Group ("MEIUG") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On February 16, 2016, Metropolitan Edison Company ("Met-Ed" or "Company") filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") a Petition requesting approval to establish a Distribution System Improvement Charge ("DSIC") ("Petition"). Through the Petition, the Company requested implementation of an initial DSIC rate of 0.028% to become effective on July 1, 2016. The Company proposed to allocate this DSIC across all customer classes with the exception of customers receiving service under Rate Schedule TP ("Exempt Class").

On March 7, 2016, and as amended on April 19, 2016, MEIUG filed a Petition to Intervene and Answer to Met-Ed's filing. A description of MEIUG is set forth in Paragraph 1 of MEIUG's Petition to Intervene.

The Commission entered an Order on June 9, 2016, approving Met-Ed's Petition, and referring the following issues to the Office of Administrative Law Judge ("OALJ") for hearing and preparation of a Recommended Decision ("R.D."):

- (a) Whether certain customers taking service at transmission voltage rates should be included under the DSIC;

- (b) Whether other customers should also be exempt from the DSIC;
- (c) If revenues associated with the riders in Met-Ed's tariff are properly included as distribution revenues;
- (d) MEIUG's Petition to Intervene;
- (e) The Joint Petition for Intervention of the Citizens for Pennsylvania's Future ("PennFuture") and the Environmental Defense Fund ("EDF"); and
- (f) PennFuture/EDF's Joint Motion to Compel.

A Prehearing Conference has been scheduled in this proceeding for August 10, 2016.

II. SERVICE LIST

For purposes of service in the above-captioned proceeding, please direct all communications to:

Charis Mincavage (Pa. I.D. No. 82039)
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III. ANTICIPATED ISSUES AND SUB-ISSUES

MEIUG is concerned with issues regarding the terms and conditions of its electricity service, including:

- (a) whether Met-Ed fully demonstrated that full application of the DSIC among all customer classes, except the Exempt Class, is just and reasonable;
- (b) whether the Exempt Class should be expanded to include customers who use only a small portion of distribution infrastructure; and
- (c) whether revenues associated with the riders in Met-Ed's tariff are properly included as distribution revenues.

MEIUG anticipates pursuing these issues during this proceeding and also reserves the right to raise further issues and to respond to all matters raised by other parties.

IV. PROPOSED WITNESSES

MEIUG is in the process of evaluating whether it will sponsor any testimony in this proceeding. In the event that MEIUG decides to sponsor testimony, MEIUG will inform the ALJ and the other parties of any intended witnesses and topics of testimony. MEIUG also intends 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.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

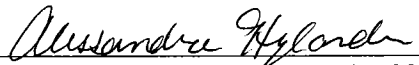
MEIUG will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJ.

VI. POSSIBILITY OF SETTLEMENT

MEIUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding, subject to Commission approval.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 
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Counsel to the Met-Ed Industrial Users Group

Dated: August 3, 2016