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July 27, 2009

Secretary James J. McNulty
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Metropolitan Edison Company Energy, Pennsylvania Electric Company, Pennsylvania Power Company Prehearing Conference Memorandum in the matter docketed under Nos. M-2009-2092222, M-2009-2112952, M-2009-2112956.

Dear Secretary McNulty:

Enclosed on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company (collectively "First Energy") is an original Prehearing Memorandum of First Energy in the above-referenced matter. Copies have been served in accordance with the attached Certificate of Service.

If you have any questions, please feel free to contact me.

Very truly yours,

STEVENS & LEE



Renardo L. Hicks, Esquire

cc: Certificate of Service

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A PROFESSIONAL CORPORATION

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Metropolitan Edison Company Energy :
Efficiency and Conservation Plan : Docket No. M-2009-2092222

Pennsylvania Electric Company Energy :
Efficiency and Conservation Plan : Docket No. M-2009-2112952

Pennsylvania Power Company Energy :
Efficiency and Conservation Plan : Docket No. M-2009-2112956

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

Pursuant to 66 Pa. C.S. § 333, 52 Pa. Code § 5.222, and the July 8, 2009 Prehearing Conference Order of Administrative Law Judge David L. Salapa (“ALJ”), Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”) and Pennsylvania Power Company (“Penn Power”) (collectively, the “FirstEnergy Companies” or “Companies”) respectfully submit the following Prehearing Conference Memorandum in the above-captioned matter.

I. INTRODUCTION

On July 1, 2009, the FirstEnergy Companies submitted Energy Efficiency and Conservation (“EE&C”) Plans pursuant to Act 129 of 2008 (“Act 129”) for approval by the Pennsylvania Public Utility Commission (“Commission”). Along with the EE&C Plans, the Companies’ filed a Joint Petition requesting approval of the EE&C Plans and authorization for each of the Companies to implement proposed tariff riders for cost

recovery purposes, as described in the Joint Petition and plans. The Companies also requested consolidated review of the plans.

On July 7, 2009, a Notice of Intervention and Public Statement was filed by the Office of Consumer Advocate. On July 8, 2009, the Commission's Office of Trial Staff entered its appearance in the proceedings. The Pennsylvania Department of Environmental Protection filed a Petition to Intervene on July 16, 2009. On July 20, 2009, the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance and the Penn Power Users Group filed a Joint Petition to Intervene. The Office of Small Business Advocate filed a Notice of Intervention and Public Statement on July 21, 2009.¹

II. COUNSEL AND SERVICE LIST

The FirstEnergy Companies are represented in this matter by Kathy J. Kolich, Bradley A. Bingaman and Renardo L. Hicks as local counsel. The FirstEnergy Companies request that the Commission's "official service list" include the name and address of the following:

Bradley A. Bingaman
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2800 Pottsville Pike
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(610) 921-6203 – Telephone
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bbingaman@firstenergycorp.com

¹ On July 10, 2009, UGI-Utilities, Inc., - Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. filed a Petition to Intervene in Met-Ed's EE&C Plan proceeding at Docket No. M-2009-2092222. Also, on July 10, 2009, UGI Central Penn Gas, Inc. filed a Petition to Intervene in Penelec's EE&C Plan proceeding at Docket No. M-2009-2112952. On July 20, 2009, the FirstEnergy Companies filed Answers Opposing the Petitions to Intervention filed by UGI.

All correspondence, notices, documents, orders or other communications with respect to the above-captioned proceedings should be addressed to Bradley A. Bingaman at the above-listed address.

The FirstEnergy Companies further request that the parties also serve any documents they file in this case on the following:

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III. WITNESS AND SCOPE OF TESTIMONY

The following witnesses will present the FirstEnergy Companies' case-in-chief:

- A. **John E. Paganie**
Vice President, Customer Service and Energy Efficiency
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308
(330) 384-5845
- B. **George L. Fitzpatrick**
Managing Director, Enterprise Management Solutions
Black & Veatch Corporation
898 Veteran's Memorial Highway, Suite 430
Hauppauge, NY 11788
(631) 348-4090 Ext. 203

- C. **Raymond L. Parrish**
Senior Business Analyst, Pennsylvania Rates Department
FirstEnergy Service Company
P.O. Box 16001
Reading, PA 19612-6001
(610) 921-6837

In conjunction with the filing of the July 1, 2009 EE&C Plans, the FirstEnergy Companies submitted the Testimony and Exhibits of the three witnesses listed above in support of the EE&C plans. Specifically, Mr. Paganie (Met-Ed/Penelec/Penn Power Statement No. 1) provides a summary and overview of the FirstEnergy Companies' EE&C plans and process utilized to develop the plans. Mr. Fitzpatrick (Met-Ed/Penelec/Penn Power Statement No. 2) describes and discusses the specific plans and programs in detail. Mr. Parrish (Met-Ed/Penelec/Penn Power Statement No. 3) provides an overview of the Companies' proposals to recover the costs associated with developing and implementing the EE&C plans through new tariff riders for each of the Companies.

The FirstEnergy Companies intend to introduce the written, pre-filed testimony of each of the above witnesses in this proceeding and make its witnesses available for cross-examination. The Companies reserve the right to identify and present the testimony of additional witnesses, as necessary, in direct or rebuttal phases of these proceedings, in accordance with the schedule adopted in the proceedings. Additionally, the FirstEnergy Companies expect to cross-examine witnesses presented by other parties in these proceedings.

IV. ISSUES PRESENTED

The FirstEnergy Companies submit that the core issues presented in these proceedings are whether the EE&C plans submitted by Met-Ed, Penelec and Penn Power comply with the requirements of Act 129, the Commission's January 16, 2009 Implementation Order, the Commission's May 28, 2009 Final Order and Technical Reference Manual, and the Commission's June 23, 2009 Order concerning the TRC test. The FirstEnergy Companies submit that each of the plans comply with the requirements of each of these mandates.

V. PUBLIC INPUT HEARINGS

The FirstEnergy Companies intend to participate in all public input hearings scheduled in this proceeding and have no objection to the times or locations presented in the Press Release announcing the public input hearings issued by the Commission on July 15, 2009.

VI. DISCOVERY

The FirstEnergy Companies do not propose any modifications to the Commission's rules pertaining to discovery. Further, as encouraged in Paragraph 11 of the ALJ's Prehearing Conference Order issued July 8, 2009, the Companies have already convened informal discussions with the intervening parties on July 24, 2009 regarding the Companies' proposed EE&C Plans, and agreed to schedule additional technical conferences or information exchanges, as needed, to facilitate the discovery process.

VII. PROCEDURAL SCHEDULE

The FirstEnergy Companies have no objection to the schedule presented in the July 8, 2009 Prehearing Conference Order of Administrative Law Judge David L. Salapa as set forth below:

Filing of EE&C Plans	July 1, 2009
Publication in <i>Pennsylvania Bulletin</i>	July 18, 2009 ²
Prehearing Conference	July 29, 2009
Answers/comments/recommendations	August 7, 2009
Public Input Hearings	July 30-31, 2009
	August 4, 2009
Evidentiary Hearings	August 31, 2009 – September 2, 2009
Main briefs	September 11, 2009
Reply briefs	September 21, 2009
Revised plan/reply comments	September 21, 2009
Certification of record to the Commission	upon close of the record
Completion of Commission review	October 29, 2009

VIII. CONSOLIDATION OF PROCEEDINGS

As presented in the July 1, 2009 Joint Petition for Approval of EE&C Plans and Consolidation of Proceedings, the Companies have requested that the EE&C plans of Met-Ed, Penelec and Penn Power be consolidated for purposes of the Commission's review. The Companies have not received any objections from the parties regarding that request and hereby request that the ALJ grant the consolidation of proceedings at the Initial Prehearing Conference, so that these cases can proceed more efficiently through the remainder of the schedule.

IX. SETTLEMENT

The FirstEnergy Companies have initiated and engaged in initial discussions with the parties in an effort to explore the potential settlement and expeditious resolution of these proceedings. The Companies are willing to pursue with the parties the possible stipulation of individual issues and/or engage in further settlement discussions that might lead to a comprehensive resolution of these proceedings.

X. CONCLUSION

WHEREFORE, the FirstEnergy Companies are prepared to demonstrate that the proposed Energy Efficiency and Conservation Plans filed by Met-Ed, Penelec and Penn Power pursuant to Act 129 are in the public interest and should be approved by this honorable Commission.

Respectfully Submitted,

Dated: July 27, 2009

STEVENS & LEE

By *Renardo C. Hicks*

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² Publication of the FirstEnergy Companies' EE&C plans in the *Pennsylvania Bulletin* occurred on July 25, 2009.

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Metropolitan Edison Company,
Pennsylvania Electric Company
Pennsylvania Power Company

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Metropolitan Edison Company Energy and Conservation Plan	:	Docket No. M-2009-2092222
	:	
Pennsylvania Electric Company and Conservation Plan	:	Docket No. M-2009-2112952
	:	
Pennsylvania Power Company and Conservation Plan	:	Docket No. M-2009-2112956

CERTIFICATION OF SERVICE

I hereby certify that I have served a copy of the Prehearing Memorandum of the FirstEnergy Companies in the above referenced matters by email and first class mail upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 and 1.55.

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Dated: July 27, 2009