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Wallace & Nurick LLC

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SECRETARY'S BUREAU

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

Charis Mincavage  
Direct Dial: 717.237.5437  
Direct Fax: 717.260.1725  
cmincavage@mwn.com

February 16, 2010

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

VIA HAND DELIVERY

**RE: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for Consolidation of Proceedings and Approval of Energy Efficiency and Conservation Plans; Docket No. M-2009-2092222**

Dear Secretary McNulty:

The Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), and the Penn Power Users Group ("PPUG") (hereinafter, "MEIUG, et al.") submits these Comments in response to the revised Energy Efficiency and Conservation Plans ("EE&C") submitted by Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company (hereinafter, "Companies") in the above-referenced proceeding.

The purpose of these Comments is to note concern with a recent development in the Companies' implementation of their EE&C Plan. Specifically, MEIUG, et al., recently learned that the Companies are planning to implement a monetary cap upon the amount that a customer can recover through participation in the EE&C Plans. As MEIUG, et al., understands this proposal, *the Companies plan to place a \$200,000 per meter per year cap upon each customer, and this cap will include participation in both any energy efficiency and demand response programs.*

MEIUG, et al., notes that such a cap was not proposed as part of the Companies' original EE&C Plan or set forth in any testimony or even as part of the Companies' various compliance filings. Rather, MEIUG, et al. only learned about this substantive and significant modification through conversations with the Companies' third-party Conservation Service Provider, SAIC. Accordingly, MEIUG, et al. believes that this modification has been unilaterally adopted by the Companies without any approval by the Pennsylvania Public Utility Commission ("PUC" or "Commission") or without any review or comment by interested parties.

As such, MEIUG, et al. opposes the Companies' proposed cap for several reason. Initially, MEIUG, et al. submits that such a cap may inappropriately penalize customers seek to

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utilize the Companies' EE&C offerings. For example, some large commercial and industrial customers may reach the cap through a single demand response event, thereby effectively prohibiting them from also utilizing the Companies' energy efficiency programs. Second, the Companies' unilateral decision to implement a cap at \$200,000 fails to consider the significant revenues that are being collected from larger customers, including whether these revenues may exceed the aforementioned cap. Third, had MEIUG, et al., known that the Companies were planning to implement a monetary cap on participation, MEIUG, et al., most certainly would have opposed such a cap; however, because the Companies never raised such an argument in the litigation phase of the proceeding, MEIUG, et al. did not have an opportunity to fully address its concerns. Finally, this proposal may have modified MEIUG, et al.'s position with respect to other aspects of the Companies' EE&C filing.

Accordingly, MEIUG, et al. submits that the Companies should not be permitted to implement a unilateral modification (*i.e.*, a monetary cap on customer participation) to the EE&C Plan without providing interested parties an opportunity to review and comment, as well as without obtaining the necessary Commission approval. For these reasons, MEIUG, et al. respectfully requests that the PUC deny the Companies' decision to implement such a cap unless and until adequate due process has occurred for all interested parties.

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

Respectfully,

McNEES WALLACE & NURICK LLC

By   
Charis Mincavage

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

c: Jonathan Nase, Office of Special Assistants  
Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

### VIA E-MAIL AND FIRST-CLASS MAIL

Kathy J. Kolich, Esq.  
FirstEnergy Service Company  
76 South Main Street  
Akron, OH 44309  
[kjkolich@firstenergycorp.com](mailto:kjkolich@firstenergycorp.com)

Bradley A. Bingaman, Esq.  
FirstEnergy Service Company  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA 19612-6001  
[bbingaman@firstenergycorp.com](mailto:bbingaman@firstenergycorp.com)

Renardo L. Hicks, Esq.  
Michael A. Gruin, Esq.  
Stevens & Lee  
17 North Second Street, 16<sup>th</sup> Floor  
Harrisburg, PA 17101  
[rlh@stevenslee.com](mailto:rlh@stevenslee.com)  
[mag@stevenslee.com](mailto:mag@stevenslee.com)

Candis Tunilo, Esq.  
Tanya McCloskey, Esq.  
Aron J. Beatty, Esq.  
Office of Consumer Advocate  
5<sup>th</sup> Floor Forum Place  
555 Walnut Street  
Harrisburg, PA 17101-1923  
[ctunilo@paoca.org](mailto:ctunilo@paoca.org)  
[tmccloskey@paoca.org](mailto:tmccloskey@paoca.org)  
[abeatty@paoca.org](mailto:abeatty@paoca.org)

Daniel G. Asmus, Esq.  
Office of Small Business Advocate  
Commerce Building, Suite 1102  
300 North 2<sup>nd</sup> Street  
Harrisburg, PA 17101  
[dasmus@state.pa.us](mailto:dasmus@state.pa.us)

Charles Daniel Shields, Esq.  
Carrie B. Wright, Esq.  
Office of Trial Staff  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
[chshields@state.pa.us](mailto:chshields@state.pa.us)  
[carwright@state.pa.us](mailto:carwright@state.pa.us)

Lillian S. Harris, Esq.  
Thomas J. Sniscak, Esq.  
Hawke McKeon & Sniscak LLP  
P.O. Box 1778  
100 North Tenth Street  
Harrisburg, PA 17101  
[lharris@hmslegal.com](mailto:lharris@hmslegal.com)  
[tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)

Aspassia V. Staevska, Esq.  
Commonwealth of Pennsylvania  
Department of Environmental Protection  
RCSOB, 9<sup>th</sup> Floor  
400 Market Street  
Harrisburg, PA 17101-2301  
[astaevska@state.pa.us](mailto:astaevska@state.pa.us)

Harry S. Geller, Esq.  
John C. Gerhard, Esq.  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
[hgellerpulp@palegalaid.net](mailto:hgellerpulp@palegalaid.net)  
[jgerhardpulp@palegalaid.net](mailto:jgerhardpulp@palegalaid.net)

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Daniel Clearfield, Esq.  
Kevin J. Moody, Esq.  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> Floor  
P.O. Box 1248  
Harrisburg, PA 17108-1248  
[dclearfield@eckertseamans.com](mailto:dclearfield@eckertseamans.com)  
[kmoody@eckertseamans.com](mailto:kmoody@eckertseamans.com)

Carolyn Pengidore, Esq.  
President/CEO  
ClearChoice Energy  
180 Fort Couch Road, Suite 265  
Pittsburgh, PA 15241  
[carolyn@clearchoice-energy.com](mailto:carolyn@clearchoice-energy.com)

Mark C. Morrow, Esq.  
Senior Counsel  
UGI Utilities, Inc.  
460 North Gulph Road  
King of Prussia, PA 19406  
[morrowm@ugicorp.com](mailto:morrowm@ugicorp.com)

Christopher A. Lewis, Esq.  
Christopher R. Sharp, Esq.  
Melanie J. Tambolas, Esq.  
Blank Rome, LLP  
One Logan Square  
Philadelphia, PA 19103  
[lewis@blankrome.com](mailto:lewis@blankrome.com)  
[sharp@blankrome.com](mailto:sharp@blankrome.com)  
[tambolas@blankrome.com](mailto:tambolas@blankrome.com)

Edward P. Yim, Esq.  
Office of Representative Camille "Bud" George  
Environmental Resources and Energy  
Committee  
4 East Wing  
P.O. Box 202074  
Harrisburg, PA 17120  
[eyim@pahouse.net](mailto:eyim@pahouse.net)

Lee E. Hartz, Esq.  
Assistant General Counsel  
National Fuel Gas Distribution Corporation  
P.O. Box 2081  
Erie, PA 16512  
[hartzl@natfuel.com](mailto:hartzl@natfuel.com)

Brian J. Knipe, Esq.  
Buchanan Ingersoll & Rooney, PC  
17 North Second Street, 15<sup>th</sup> Floor  
Harrisburg, PA 17101-2121  
[Brian.knipe@bipc.com](mailto:Brian.knipe@bipc.com)

Michael T. Killion, Esq.  
Buchanan Ingersoll & Rooney, P.C.  
213 Market Street, 3<sup>rd</sup> Floor  
Harrisburg, PA 17101-2121  
[Michael.killion@bipc.com](mailto:Michael.killion@bipc.com)

Scott H. DeBroff, Esq.  
Rhoads & Sinon LLP  
One South Market Square  
P.O. Box 1146  
Harrisburg, PA 17108-1146  
[sdebroff@rhoads-sinon.com](mailto:sdebroff@rhoads-sinon.com)

Theodore J. Gallagher, Esq.  
Senior Counsel  
NiSource Corporate Services Company  
501 Technology Drive  
Canonsburg, PA 15317  
[tjgallagher@nisource.com](mailto:tjgallagher@nisource.com)

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Pamela C. Polacek, Esq.  
McNees Wallace & Nurick LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
[ppolacek@mwn.com](mailto:ppolacek@mwn.com)

  
Charis Mincavage

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

Dated this 16<sup>th</sup> day of February, 2010, in Harrisburg, Pennsylvania.