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August 13, 2010

**VIA OVERNIGHT UNITED PARCEL SERVICE**Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120**RECEIVED**

AUG 13 2010

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU****Re: CONFIDENTIAL MATERIAL ENCLOSED*****Joint Petition for Consolidation of Proceedings and Approval of Energy Efficiency and Conservation Plans of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company  
Docket Nos. M-2009-2092222, M-2009-211952, M-2009-2112956***

Dear Secretary Chiavetta:

Enclosed are an original and three (3) copies of the executed **CONFIDENTIAL** Agreement between FirstEnergy Service Company (on behalf of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company) ("the Companies") and Performance Systems Development of New York, LLC ("PSD") to provide program management services for approved Residential New Home Construction programs under the Companies' Act 129 Energy Efficiency and Conservation Plans.

The Agreement consists of six **CONFIDENTIAL** documents:

- a Purchase Order, setting forth pricing and additional terms of the Agreement;
- the FirstEnergy Service Company – PA Act 129 Terms and Conditions for Purchase of Consulting Services;
- the PSD Budget Proposal to FirstEnergy for PA RNC Program;
- the full PSD proposal to provide Program Management Services for the RNC Program;
- the FE PNC Market Growth & Savings model; and
- the Incentive and Penalty for PSD document.

August 13, 2010


In awarding this contract, the Companies followed the approved Competitive Bidding Process for Conservation Service Providers, which was submitted to the Commission and approved by Secretarial Letter dated March 18, 2009. This contract incorporates the General Terms and Conditions for Purchase of Consulting Services, which was approved by the Commission by Secretarial Letter dated April 27, 2009, with the exception of Article III(C) – Criminal/Background Checks and the Records and Reports section of the Supplemental Terms and Conditions, in which these specific terms were added.<sup>1</sup> For ease of Commission review, these two sections have been set forth in a different font size.

By this letter, the Companies respectfully request Commission staff's review and approval of the enclosed Agreement within forty-five (45) days of filing, consistent with the Commission's Act 129 Implementation Order. However, to the extent possible, the Companies would appreciate any expedited review and approval of this contract so that the Companies can begin implementing these important programs in the near future.

Due to the financially sensitive and proprietary nature of the information contained in this Agreement, the Companies respectfully request that the Commission treat the Agreement with the highest possible confidential treatment under the Commission's regulations.

Please date stamp the additional copy of this cover letter and return it to me in the enclosed, postage-prepaid envelope. Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Bradley A. Bingaman

lmr  
Enclosures

- c: Kriss E. Brown, Esq., Law Bureau  
Anthony J. Rametta, Bureau of Fixed Utility Services  
Patricia T. Wiedt, Esq., Law Bureau  
Wayne E. Williams, Bureau of Conservation, Economics and Energy Planning  
William R. Lloyd, Esq., Office of Small Business Advocate (cover letter only)  
Irwin A. Popowsky, Esq., Office of Consumer Advocate (cover letter only)  
Johnnie E. Simms, Esq., Office of Trial Staff (cover letter only)

<sup>1</sup> The language requiring criminal and other background checks in Article III(C) is the same language approved by Secretarial Letter issued December 18, 2009, in approving an addendum to the FirstEnergy Service Company and Science Application International Corporation ("SAIC") contract for program management services for Commercial and Industrial programs.

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AUG 13 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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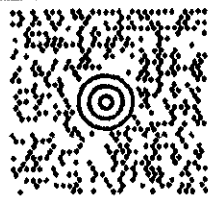
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SHIP TO:

ROSEMARY CHIAVETTA, SECRETARY  
(800) 692-7375  
PA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEystone BUILDING  
2ND FLOOR  
400 NORTH STREET  
HARRISBURG PA 17120-0079



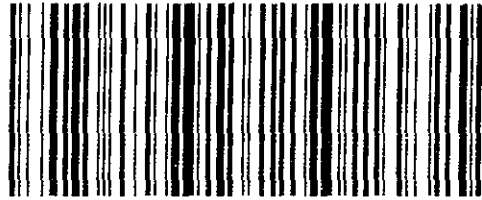
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**CONFIDENTIAL/PROPRIETARY  
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