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April 27, 2011

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAURosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Dear Secretary Chiavetta:

M-2009-2092222

**Re: Prehearing Conference Memorandum of Metropolitan Edison Company,
Pennsylvania Electric Company and Pennsylvania Power Company**

Pursuant to Section 1901 of the Public Utility Code (66 Pa. C.S.A. § 1901), enclosed for filing in the above-referenced dockets are an original and four (4) copies of the Prehearing Memorandum of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company ("Companies"). Please date stamp the additional copy and return it to me in the enclosed postage-prepaid envelope.

A copy of this Prehearing Memorandum has been served upon the parties as indicated in the attached Certificate of Service.

Please contact me at the above number should you have any questions.

Sincerely,



Kathy J. Kolich, Esq.

kag
Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison
Company, Pennsylvania Electric Company
and Pennsylvania Power Company for
Amendment of the Orders Approving
Energy Efficiency and Conservation Plans
and Petition for Approval of First
Amended Energy Efficiency and
Conservation Plans

Docket Nos. M-2009-2092222, ~~2009-
2092952, 2009-2092956~~

M-2009-2112952 **RECEIVED**
M-2009-2112956 APR 27 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

To The Honorable Dennis J. Buckley, Administrative Law Judge:

To assist the Administrative Law Judge ("ALJ") with the disposition of procedural issues in the above-captioned proceeding Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec") Pennsylvania Power Company ("Penn Power") (collectively, the "Companies") submit this Prehearing Conference Memorandum, pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. 333, and in response to the April 13, 2011 Prehearing Conference Order.

I. Introduction

On February 18, 2011, the Companies petitioned the Commission for an amendment of the Commission Orders approving their Energy Efficiency and Conservation ("EE&C") Plans and for approval of the Companies' First Amended EE&C Plans. The Office of Consumer

Advocate (“OCA”) and The Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance and The Penn Power Users Group (“MEIUG”) submitted Answers on March 10, 2011.

The Petition was assigned to the Office of Administrative Law Judge and was then assigned to ALJ Dennis J. Buckley for further investigation and the scheduling of hearings. A Prehearing Conference Order was issued on April 13, 2011, in which the parties’ obligations with respect to the Prehearing Conference were set forth. In response to that Order, the Companies submit this Prehearing Conference Memorandum.

Counsel designated for service on behalf of the Companies in this proceeding will be

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who requests that she be included on parties’ certificates of service and email distribution lists in this case.

II. Discovery

If the accelerated procedural schedule described below is adopted, the Companies agree to provide responses to discovery requests within seven (7) days of receipt, with all discovery completed at least one week prior to hearing.

III. Proposed Procedural Schedule

Inasmuch as many of the proposed changes submitted in the Petition affect energy efficiency and peak demand reduction programs that will be used for compliance with 2013 statutory benchmarks, the Companies request the following accelerated procedural schedule:

Company Direct Testimony

February 18, 2011

Intervenor Direct Testimony	May 20, 2011
All Parties Rebuttal Testimony	May 27, 2011
Oral Rejoinder/ Hearing	Week of June 6, 2011
Main Briefs	2 weeks after close of hearing
Reply Briefs	7 -10 days later

At the time of this filing, the parties have not yet reached agreement on a procedural schedule and will continue to try to resolve their issues before the Prehearing Conference on April, 29, 2011.

IV. Identification of Witnesses

Concurrently with the filing of the Petition in this case, the Companies filed the testimony of the following individuals who are expected to testify at the hearing in this matter:

George Fitzpatrick
 Black & Veatch Corporation
 888 Veteran's Highway
 Suite 120
 Hauppauge, New York 11788

Charles V. Fullem
 FirstEnergy
 P.O. Box 16001
 Reading, PA 19612-6001

Both witnesses can be reached through counsel.

Mr. Fitzpatrick's testimony will demonstrate how all of the proposed changes included in the plans that are the subject of the Petition in this Proceeding ("First Amended Plans"), other than those involving the changes to Rider EEC-C, are necessary and how they impact the program portfolios.

Mr. Fullem's testimony will demonstrate the changes to Rider EEC-C that are necessary as a result of the changes being proposed in this filing. In essence, while rider charges are

changing for all customer classes as a result of revised sales and revenue collection projections, only the rider charge for Large Commercial and Industrial (“C/I”) customers is increasing as a result of increases in program budgets.

The Companies reserve the right to modify this position if any positions of the Parties change during the course of this proceeding.

V. Issues In This Proceeding

The Companies found it necessary to amend their current EE&C Plans (“Current Plans”) for several reasons. First, the Current Plans include an 11% transmission and distribution loss factor that was used to gross up all EE&C program savings calculations so as to reflect savings at the system generation level. After the Current Plans were approved, the Statewide Evaluator and the Commission's Bureau of Conservation Economics and Energy Planning clarified that EE&C savings projections should be calculated at the retail level for Act 129 compliance purposes, and at the system generation level for Total Resource Cost test purposes. As a result, all of the savings projections included in the Current Plans are overstated by approximately 11%. Therefore, the First Amended Plans recalculate projected savings, which, in turn, requires plan modifications to make up this 11% deficit.

Second, certain programs are performing at energy or demand savings levels below those originally anticipated, partly due to: (i) the downturn in the economy; (ii) updates to the Technical Reference Manual (“TRM”); and (iii) customer participation levels in certain programs and measures different from those assumed in the Current Plans. The First Amended Plans re-balance the programs so that the Companies can meet their EE&C targets.

Lastly, some programs are exceeding expectations, even to the point where the funding for the C/I Equipment Programs in the Large C/I Sector are fully committed for Met-Ed and

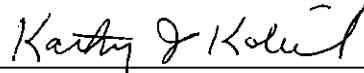
Penelec, thus requiring their suspension until additional funding can be approved by the Commission. The First Amended Plans request additional funding for those programs, which will affect the amount charged to the Large C/I Sector.

VI. Settlement

The Companies will attempt to resolve any or all of the issues through settlement conferences which will be scheduled as parties' availability permits.

Respectfully submitted,

Dated: April 27, 2011



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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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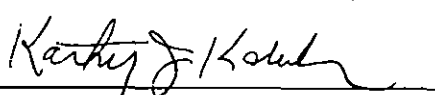
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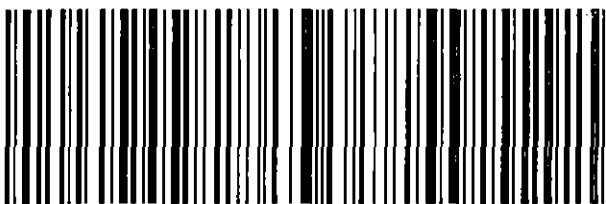
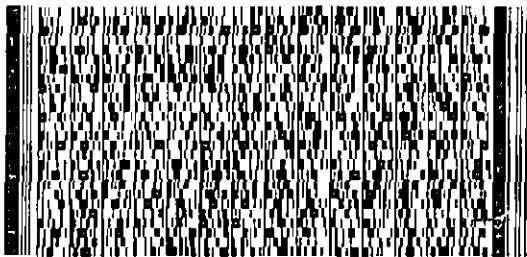
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