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May 10, 2013

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

VIA ELECTRONIC FILING

**RE: Revision to Metropolitan Edison Company Tariff Electric Pa. P.U.C. No. 51,
Supplement No. 38 – Rate Changes in Compliance with Metropolitan Edison
Company's Phase II Energy Efficiency and Conservation Plan;
Docket No. M-2012-2334387**

**Revised Pennsylvania Electric Company Tariff Electric Pa. P.U.C. No. 80,
Supplement No. 37 – Rate Changes in Compliance with Pennsylvania Electric
Company's Phase II Energy Efficiency and Conservation Plan;
Docket No. M-2012-2334392**

**Revised Pennsylvania Power Company Tariff Electric Pa. P.U.C. No. 35,
Supplement No. 97 – Rate Changes in Compliance with Pennsylvania Power
Company's Phase II Energy Efficiency and Conservation Plan;
Docket No. M-2012-2334395**

**Revised West Penn Power Company Tariff Electric Pa. P.U.C. No. 39,
Supplement No. 226 – Rate Changes in Compliance with West Penn Power
Company's Phase II Energy Efficiency and Conservation Plan;
Docket No. M-2012-2334398**

Dear Secretary Chiavetta:

On April 30, 2013, Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelec"), Pennsylvania Power Company ("Penn Power"), and West Penn Power ("West Penn Power") Company (collectively, the "Companies") filed Revisions to their Phase II Energy Efficiency and Conservation ("EE&C") Plans at the above-referenced dockets. The Met-Ed Industrial Users Group ("MEIUG"), the Penelec Industrial Customer Alliance ("PICA"), the Penn Power Users Group ("PPUG"), and the West Penn Power Industrial Intervenors ("WPPII") (collectively, the "Industrial Customer Groups") submit this letter in response to these Revisions. Specifically within these Revisions, the Companies set forth a final reconciliation procedure that would occur at the conclusion of the Companies' Phase II Plans. This proposed final reconciliation procedure extends potential Phase II cost recovery until September 30, 2016, approximately four months after the expiration of Phase II EE&C Plans (*i.e.*, May 31, 2016). In addition, final Phase II reconciliation would occur beginning January 1, 2017.

Importantly, on April 18, 2013, the Companies filed an identical final reconciliation proposal with regard to its Phase I Plans to which the Industrial Customer Groups filed a Petition to Intervene and Answer. For the same reasons highlighted in the Industrial Customer Groups' Petition to Intervene and Answer, the Industrial Customer Groups request that the Pennsylvania Public Utility

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Commission ("PUC" or "Commission") and its staff review these Revisions under close scrutiny and in conjunction with the Companies' April 18, 2013 filing.

In its April 30, 2013 Revisions, the Companies are proposing to extend cost recovery through the end of September within their Phase II Plans. In its Phase II Implementation Order, the Commission held that such a cost recovery may be impermissible with respect to Phase I EE&C Plans, except "to account for those program measures installed and operable on or before May 31, 2013, and to finalize the CSP and administrative fees related to Phase I." Based on the potential inconsistency of the Companies' Revisions with the intent of the Commission's Phase II Implementation Order, the Commission must evaluate whether the proposed cost collection after the expiration of Phase II Plans is appropriate.


In addition, it is unclear why the Companies will not begin their Phase II reconciliation until January 1, 2017 when the Companies explain in their Revisions that a final reconciliation of actual program costs and revenues will be completed on September 30, 2016. The Industrial Customer Groups request that the Commission carefully consider whether the Companies' extended reconciliation proposal complies with Act 129 and its Implementation Orders.

In light of the fact that further Commission review is still required with respect to extended cost recovery and reconciliation in the April 18, 2013, filing related to the Companies' Phase I final reconciliation, the Industrial Customer Groups respectfully request that the PUC fully consider the language set forth in the Revisions in conjunction with the Companies' April 18, 2013 filing to ensure that the Companies' final cost recovery and reconciliation proposals are just and reasonable.

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

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
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c: Administrative Law Judge Elizabeth H. Barnes (via e-mail First Class Mail)
Paul Diskin – Bureau of Technical Utility Services (via e-mail and First Class Mail)
Lori Burger – Bureau of Audits (via e-mail and First Class Mail)
Certificate of Service

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).

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Certificate of Service

Docket Nos. M-2012-2334387, M-2012-2334392,
M-2012-2334395 and M-2012-2334398

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Dated this 10th day of May, 2013, at Harrisburg, Pennsylvania