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September 25, 2009

Bureau of Regulatory Counsel

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Honorable James McNulty
Secretary, Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: Joint Petition of Metropolitan Edison Company,
Pennsylvania Electric Company and Pennsylvania Power Company
For Approval of Smart Meter Technology Procurement and
Installation Plan PUC Docket No. M-2009-2123950

Dear Secretary McNulty:

Please find attached for electronic filing the Prehearing Memorandum of the Commonwealth of Pennsylvania, Department of Environmental Protection in the above referenced matter. Copies have been served on all parties listed on the enclosed Certificate of Service.

Sincerely,

/s/ Scott Perry

Scott Perry
Assistant Counsel

cc: Service List

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Metropolitan Edison Company, :
Pennsylvania Electric Company and : **Docket No. M-2009-2123950**
Pennsylvania Power Company for Approval :
of Smart Meter Technology Procurement and :
Installation Plan :

**PREHEARING MEMORANDUM OF THE
COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the September 1, 2009 prehearing conference order issued in the above-captioned matter, the Commonwealth of Pennsylvania, Department of Environmental Protection (the "Department") provides the following information:

I. INTRODUCTION

Pursuant to Act 129 of 2008 and the Pennsylvania Public Utility Commission's ("Commission") Smart Meter Procurement and Installation Order ("Implementation Order") at Docket No. M-2009-2092655, on August 14, 2009, Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company's ("First Energy") filed their Joint Petition for Approval of Smart Meter Technology Procurement and Installation Plans ("Smart Meter Plan").

On August 29, 2009 the Commission published a notice of First Energy's petition in the *Pennsylvania Bulletin* which required Petitions to Intervene and comments to the Smart Meter Plan to be filed by September 25, 2009. The Department filed its petition to intervene on September 18, 2009.

II. ISSUES

The Department has consistently maintained that early deployment of smart meters and implementation of the time of use rates and real time price plans that smart meters support are necessary to achieving meaningful reductions in both energy consumption and energy prices. Smart meters and time sensitive price plans effectively use market forces to reduce consumption, shift some uses to cheaper times of day, save the consumer money and provide system-wide benefits such as reduced grid congestion and improved grid reliability. In addition, by reducing overall electricity consumption and shifting loads to off peak hours, smart meters necessarily reduce fossil fuel consumption, greenhouse gas emissions and improve air and water quality.

As such, the Department's interests in this matter relate to the timeframe in which the metering infrastructure will be developed and installed, the timeframe in which smart meters will be deployed system-wide and the functions the proposed smart meters and infrastructure will perform and support. The Department will evaluate the Smart Meter Plan to determine its compliance with the Commission's Implementation Order and Act 129. The Department's preliminary assessment of the Smart Meter Plan is contained in the Comments that were filed along with this prehearing memo.

III. WITNESSES

At this time, the Department does not intend to present testimony in this matter.

IV. SERVICE

All documents and correspondence related to this proceeding should be addressed to:

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The Department also requests that electronic copies of documents be provided to Aspasia V.

Staevska at astaevska@state.pa.us and George Jugovic at gjugovic@state.pa.us.

Respectfully submitted,

/s/ Scott Perry

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Dated: September 25, 2009

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Commonwealth of Pennsylvania, Department of Environmental Protection, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner upon the persons listed below:

SERVICE BY FIRST CLASS MAIL

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