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November 9, 2010

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

VIA HAND DELIVERY

RE: Petition of PECO Energy Company for Approval of its Act 129 Energy Efficiency and Conservation Plan and Expedited Approval of its Compact Fluorescent Lamp Program; Docket No. M-2009-2093215

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") are the original and three (3) copies of the Prehearing Memorandum of the Philadelphia Area Industrial Energy Users Group ("PAIEUG"), in the above-referenced proceeding.

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

Sincerely,

McNEES WALLACE & NURICK LLC

By 
Shelby A. Linton-Keddie

Counsel to the Philadelphia Area Industrial
Energy Users Group

SLK/sds
Enclosures

- c: Administrative Law Judge Dennis J. Buckley (via E-mail and Hand Delivery)
- Administrative Law Judge Elizabeth H. Barnes (via E-mail and Hand Delivery)
- Cheryl Walker Davis, Director, and Jonathan Nase, Office of Special Assistants (via E-mail and Hand Delivery)
- Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Petition of PECO Energy Company :
for Approval of Its Act 129 Energy Efficiency : Docket No. M-2009-2093215
and Conservation Plan and Expedited Approval :
of Its Compact Fluorescent Lamp Program :

**PREHEARING MEMORANDUM OF THE PHILADELPHIA AREA
INDUSTRIAL ENERGY USERS GROUP**

As requested by Administrative Law Judges ("ALJs") Dennis J. Buckley and Elizabeth H. Barnes in the November 4, 2010, Prehearing Conference Order, the Philadelphia Area Industrial Energy Users Group ("PAIEUG") hereby submits this Prehearing Memorandum.

I. HISTORY OF THE PROCEEDING

On July 1, 2009, PECO Energy Company ("PECO" or "Company") filed its Act 129 Energy Efficiency and Conservation Plan ("EE&C Plan") with the Pennsylvania Public Utility Commission ("PUC" or "Commission").¹ On July 20, 2009, PAIEUG filed a Petition to Intervene in this proceeding. A description of PAIEUG is set forth in Paragraph 3 of PAIEUG's Petition to Intervene. PAIEUG's Petition to Intervene was granted by ALJ Marlane Chestnut at the July 27, 2009, Prehearing Conference. On February 17, 2010, the Company's EE&C Plan, as refiled, was approved by the Commission.²

Consistent with the Commission's directives in Secretarial Letters dated June 24, 2010, and September 1, 2010, PECO filed proposed changes to its EE&C Plan on September 15, 2010. On

¹ See 66 Pa. C.S. § 2806.1. Specifically, PECO's EE&C Plan outlines how the Company plans to meet consumption reduction requirements of 1% by May 31, 2011, and 3% by May 31, 2013, as well as a 4.5% reduction in annual system peak demand by May 31, 2013.

² The Commission also addressed PECO's EE&C Plan in Orders entered October 28, 2009, November 19, 2009, and December 23, 2009.

October 15, 2010, PAIEUG filed a letter indicating that it was not filing Comments regarding PECO's proposed changes to its EE&C Plan. Similarly, on November 4, 2010, PAIEUG filed a letter indicating that it was not filing Reply Comments in response to other parties' Answers or Comments.

II. SERVICE LIST

For purposes of this proceeding, PAIEUG will be represented by the following counsel:

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Please direct all correspondence to the attention of Shelby A. Linton-Keddie; however, for purposes of electronic service lists, PAIEUG requests that both Ms. Mincavage and Ms. Linton-Keddie be included on any correspondence.

III. ANTICIPATED ISSUES AND SUB-ISSUES

Based on an initial review, PAIEUG has not identified any definitive areas of inquiry. Notwithstanding, PAIEUG is concerned with whether PECO's EE&C Plan is in the public interest and whether the EE&C Plan and accompanying programs comport with Act 129 and all other applicable statutes and regulations. In this proceeding, and to the extent required, PAIEUG anticipates pursuing issues related to the Company's proposed program costs, the allocation of those costs, and PECO's proposed cost recovery mechanism. PAIEUG also expects to pursue issues as they specifically pertain to the Company's programs designed for Large Commercial and Industrial

("C&I") customers. PAIEUG reserves the right to raise further issues and to respond to issues raised by other parties.

IV. PROPOSED WITNESSES

PAIEUG is still evaluating whether it will present any witnesses in this proceeding. If PAIEUG determines that it will present such witnesses, PAIEUG will inform the ALJs and the other parties as soon as possible. PAIEUG intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions and reply exceptions, if necessary.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

PAIEUG will adhere to the schedule contained in the ALJs' Prehearing Conference Order and will cooperate with the ALJs and the parties at the Prehearing Conference to develop appropriate discovery rules in accordance with the Commission's regulations and any directives issued by the ALJs.

VI. POSSIBILITY OF SETTLEMENT

PAIEUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By  _____

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Dated: November 9, 2010

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.)

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Counsel to the Philadelphia Area Industrial
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Dated this 9th day of November, 2010, in Harrisburg, Pennsylvania.