

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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July 24, 2009

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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 McNulty:

Enclosed for filing is the Prehearing Memorandum of the Office of Consumer Advocate,
in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Kennedy S. Johnson".
Kennedy S. Johnson
Assistant Consumer Advocate
PA Attorney I.D. # 203098

Enclosures

cc: Honorable Marlane R. Chestnut

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION AND PROCEDURAL HISTORY

On July 1, 2009, PECO Energy Company (PECO or Company) filed its Petition and Energy Efficiency and Conservation Plan (Plan) with the Pennsylvania Public Utility Commission (Commission) pursuant to Section 2806.1 of the Public Utility Code and pursuant to the Implementation Order entered by the Commission at Docket No. M-2008-2069887 on January 16, 2009. Petition at 1. PECO requests that the Commission approve its Plan, including cost recovery via a surcharge, and grant expedited approval of its proposed Compact Fluorescent Lamp (CFL) program. *Id.* The Company plans to reduce annual energy consumption by nearly 1.3 million MWh by May 31, 2013 by implementing eighteen programs, ten oriented towards energy efficiency savings and eight directed toward demand reduction. Petition at 2, 6. Specifically, the Company has proposed the following eight programs for its residential class: (1) CFL Program, (2) Low-Income Energy Efficiency Program, (3) Whole Home Performance Program, (4) Home Energy Incentives

Program, (5) Residential New Construction Program, (6) Appliance Pickup Program, (7) Residential Direct Load Control Program, and (8) Residential Super Peak Time of Use Program. Id. at 7-8.

The Company's filing was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judge Marlane R. Chestnut for investigation. On July 1, 2009, a Prehearing Conference Order was issued by ALJ Chestnut. On July 27, 2009, a prehearing conference will be held in Harrisburg. As required by Act 129, on July 29, 2009, a public input hearing will be held in the Company's service territory. On August 17 and 18, 2009, technical evidentiary hearings will be held.

On July 7, 2009, the Office of Consumer Advocate filed its Notice of Intervention and Public Statement in this matter.

On August 7, 2009, the OCA will file direct testimony and Comments which will set forth the specific issues that the OCA has identified.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of PECO's filing and participation in several stakeholder meetings, the OCA has compiled a list of issues and sub-issues which it anticipates will be included in its investigation of PECO's filing. It is anticipated that other issues may arise and may be pursued during the course of this proceeding.

The following list sets forth the issues at this time that the OCA anticipates it will examine:

- (1) Reasonableness of the Company's proposed energy conservation and demand response plan and the individual program design for meeting Act 129;
- (2) Reasonableness of the balance of the portfolio of programs and whether the programs are equitably distributed;

- (3) Whether the Company's Plan meets the requirements of Act 129 for low-income and non-profit customers;
- (4) Reasonableness of the Company's proposed program costs, including the proposed budgets;
- (5) Reasonableness of the Company's proposed cost recovery mechanisms and the allocation of overhead and common costs;
- (6) Reasonableness and cost effectiveness of the proposed programs, including whether the Plan meets the requirements of the Total Resource Cost (TRC) test;
- (7) Reasonableness of the Company's proposed measurement and verification and evaluation plans; and
- (8) The need for an on-going stakeholder group.

The OCA specifically reserves the right to raise additional issues as may be necessary.

III. WITNESSES

The OCA intends to present the direct testimony of the following witness in this proceeding to accompany the OCA's Comments. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, comments, and answers to interrogatories be mailed directly to the expert witness as well to counsel for the OCA.

EE&C Plan and Cost Recovery

Richard Hahn
LaCapra Associates
9th Floor
One Washington Mall
Boston, MA 02108
Telephone: 617-778-2467
E-mail: rhahn@lacapra.com

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

IV. SERVICE ON OCA

The OCA will be represented in this case by Assistant Consumer Advocate, Jennedy S. Johnson and Senior Assistant Consumer Advocate, Tanya J. McCloskey. Two copies of all documents should be served on the OCA as follows:

Tanya J. McCloskey
Senior Assistant Consumer Advocate
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JJohnson@paoca.org

As a courtesy, the OCA requests that all electronic correspondence be copied to Jessica J. Horner (JHorner@paoca.org).

V. DISCOVERY

Given the expedited nature of schedule the OCA supports a shorten discovery schedule. It is the OCA's understanding that the Company will be proposing such modification in its prehearing memorandum.

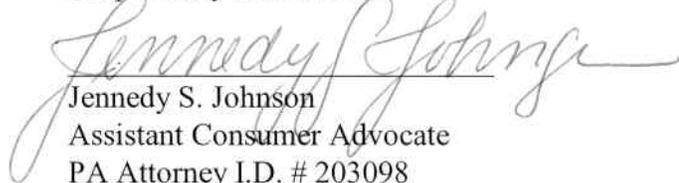
VI. SCHEDULE

The prehearing order provides for the schedule of this proceeding and the OCA will work with the parties to address any witness scheduling issues.

VII. PUBLIC INPUT HEARINGS

A public input hearing has been scheduled for Wednesday, July 29, 2009, at 6 p.m. at the Philadelphia Free Public Library in Philadelphia, Pennsylvania. In the event that the OCA receives additional requests for a public input hearing, the OCA will notify the ALJ and the parties immediately. Given the expedited nature of this proceeding, the OCA request that consideration be given to alternative means of receiving input from those members of the public who cannot attend the public input hearings. The OCA recommends telephonic public input hearings along with written comments.

Respectfully Submitted,



Jennedy S. Johnson

Assistant Consumer Advocate

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Dated: July 24, 2009

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CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Office of Consumer Advocate, 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 and upon the persons listed below:

Dated this 24th day July 2009.

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