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November 4, 2009

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

Re: Petition of West Penn Power Company d/b/a Allegheny Power for Approval of its Energy Efficiency and Conservation Plan, Approval of recovery of its Costs Through a Reconcilable Adjustment Clause and Approval of Matters Relating to the Energy Efficiency and Conservation Plan; Docket No M-2009-2093218

Tariff Revisions for Supplement No. 191 Electric-Pa.P.U.C. No. 39

Dear Secretary McNulty:

Enclosed for filing are nine (9) copies of the Energy Efficiency and Conservation ("EE&C") Surcharge, Supplement No.191 to Electric Pa.P.U.C. No. 39 Tariff of West Penn Power Company d/b/a Allegheny Power ("Allegheny Power" or "Company"). Allegheny Power submits this Compliance Filing pursuant to Sections 5.591 and 5.592 of the Rules and Regulations of the Pennsylvania Public Utility Commission ("Commission") in response to the Opinion and Order entered by the Commission October 23, 2009, at the above-captioned docket. With a few exceptions, the Opinion and Order approved Allegheny Power's EE&C Plan, including the Company's request that Plan implementation and surcharge initiation not be delayed if a portion of the Plan was not approved.¹ Recovery of the costs relating to approved portions of the Plan via a reconcilable EE&C Surcharge is requested effective on one day's notice as stated in Allegheny Power's Petition². In accordance with the Commission's Opinion and Order, Allegheny Power has removed the Distributed Generation Program (see Order at p. 42) and the Commission assessment fee (see Order at p. 79) from the EE&C Surcharge. By this Compliance Filing Allegheny Power files its Tariff amendments outlining its reconcilable surcharge recovery mechanism. To the extent Plan revisions that must be filed by December 22, 2009 impact the reconcilable surcharge, an adjustment to the surcharge will be proposed and supported by Allegheny Power at that time.

Allegheny Power points out a nuance in the timing of the institution of the surcharge for 660 specific large Commercial and Industrial class customers. Because of programming changes

¹ See Petition p. 13. As directed in the Opinion and Order Allegheny Power will file a revised EE&C Plan within 60 days with revisions to its proposed Distributed Generation Program and to its proposed Contract Demand Response Program.

² Id.

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necessitated by the Commission's Opinion and Order, Allegheny Power cannot implement the surcharge for 660 specific customers for an additional three months until early February 2010.

The timing nuance for 660 customers is the result of the Commission's Opinion and Order directing Allegheny Power to recover its EE&C Plan costs for large Commercial and Industrial customers using a demand charge based on customers' PJM Peak Load Contribution ("PLC"). (See Order at p. 81.) Allegheny Power's billing system is not set up to handle a surcharge using a PLC identifier³ and use of the PJM PLC will require time-consuming programming changes to the billing for the 660 specific Commercial and Industrial customers. The surcharge for the great majority of customers, comprising the entire residential rate schedule and all small/medium commercial and industrial rate schedules, will begin effective immediately on November 5, 2009. The surcharge for the 660 large commercial and industrial customers will commence on or about February 3, 2010.

The delay of the surcharge by three months for the 660 customers will cause a small, non-material change in the dollar amount of the surcharge for those customers. That is, while the surcharge would have run for a period of 43 months absent the delay, the surcharge will now be compressed into a period of 40 months for the 660 customers. This will result in a slightly higher surcharge per month, but the same total amount over the entire period.

Respectfully submitted,


John L. Munsch
Attorney

JLM:sac

Encls.

cc: Certificate of Service

³ Reply Testimony of Raymond E. Valdes, Statement No. 3-R, page 9

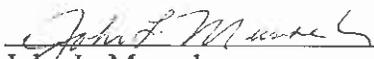
Re: Allegheny Power's Energy Efficiency and Conservation Plan;
Docket No. M-2009-2093218

CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of November, 2009, a true and correct copy of **Tariff Supplement No. 191** of West Penn Power Company d/b/a Allegheny Power were served by First Class Mail upon the following:

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John L. Munsch
Attorney for
WEST PENN POWER COMPANY

WEST PENN POWER COMPANY

TRADING AND DOING BUSINESS AS ALLEGHENY POWER

TARIFF

**Rate Schedules
and Rules and Regulations**

FOR

ELECTRIC SERVICE

IN

The Territory as Defined on
Pages 3-1, 3-2, 3-3, 3-4, 3-5, 3-6 and 3-7 of this Tariff

Issued: November 4, 2009

Effective: November 5, 2009

Rodney L. Dickens

President

Cabin Hill

Greensburg, PA

NOTICE

TARIFF SUPPLEMENT NO. 191 IS FILED IN COMPLIANCE WITH
PENNSYLVANIA PUBLIC UTILITY COMMISSION OPINION AND ORDER ENTERED
OCTOBER 23, 2009 AT DOCKET NO. M-2009-2093218

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

Energy Efficiency and Conservation ("EE&C") Surcharge

Original Page Nos. 5-9 and 5-10

Energy Efficiency and Conservation Surcharge to recover costs associated with company sponsored programs.

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ENERGY EFFICIENCY AND CONSERVATION ("EE&C") SURCHARGE

(N)

In addition to the charges provided in this Tariff and in accordance with 66 Pa. C.S.A. §2806.1, there shall be a surcharge as set forth below to recover the costs associated with Company-sponsored programs for energy efficiency and conservation programs as approved by the Commission. This surcharge is applied to designated Rate Schedules to recover costs allocated to that Rate Schedule. This surcharge will be applied each month until changed by the Commission. The resulting surcharge is in addition to any minimum charge set out in the Rate Schedule and is added to the Customer's bill before any tax surcharge is levied against the Customer's total bill. Amounts billed hereunder shall be subject to late payment charges.

CALCULATION OF SURCHARGE

The EE&C Surcharge is calculated as a levelized surcharge for the 43-month period of November 2009 through May 2013. The surcharge is calculated by separating the Program Costs allocated to each Rate Schedule into an energy-related portion and a demand-related portion, and dividing by forecasted distribution energy and distribution demand sales, respectively, for the same Rate Schedule. The calculation includes an Annual Reconciliation Factor adjustment and an adjustment for gross receipts tax. The Annual Reconciliation Factor adjustment will be filed by March 31 to become effective the forthcoming June 1. Upon determination that the surcharge, if left unchanged, would result in a material over/under-collection, the Company may file a proposed interim revision of the surcharge for Commission approval.

For Customers receiving service under Schedule 10, the EE&C Surcharge is added to the Distribution Charge for billing purposes. For all other Customers, the EE&C Surcharge shall be set out separately on the Customer's bill.

Bills shall include an amount equal to the surcharge rate times the number of distribution energy and capacity sales as follows:

EE&C SURCHARGE

Schedule	Rate per kWh	Rate per kW
10	\$0.00222	
20	\$0.00112	
22	\$0.00099	
30 (small)*	\$0.00071	\$0.30

*Schedule 30 (small) defined as Customers receiving service under Schedule 30 with a Kilowatt Demand less than 500 kilowatts. The Company will categorize Customers as those with Kilowatt Demands less than 500 kilowatts and those with a Kilowatt Demand greater than or equal to 500 kilowatts.

(N) Indicates New

ENERGY EFFICIENCY AND CONSERVATION ("EE&C") SURCHARGE (Concluded)

(N)

ELIGIBLE COSTS

Costs eligible for recovery through the EE&C Surcharge are approved by the Commission and include:

Program Costs – Program Costs are the estimated costs for research, development, implementation, and operation of programs to be incurred by the Company and approved by the Commission. Program costs include, but are not limited to, Company labor, rebates and incentives, payments to third parties for program administration and implementation, direct marketing and advertising costs incurred by the Company, market research costs, program development, monitoring and evaluation, consultant and contractor fees, applicable software and software licenses, program measurement and monitoring hardware, and all other administrative activities associated with program development and implementation.

Annual Reconciliation Factor -- The Annual Reconciliation Factor corrects for over/under-collection of Program Costs and may reflect items such as an update of forecasted billing determinants, re-evaluation or re-design of EE&C programs, and re-allocation of Program Costs to the designated Rate Schedules. The Company will submit to the Commission by March 31 of each year: (1) a comparison between forecasted revenues billed and actual revenues billed through February, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted revenues anticipated to be billed during March through May, as adjusted for removal of gross receipts tax; (3) any adjustment to the Program Costs levelized over the 43-month period of November 2009 through May 2013 based upon actual costs incurred through February and any revised estimates for future months, subject to this Tariff's allocation portion of the amount permitted to be recovered under 66 Pa. C.S.A. §2806.1; and (4) the subsequent reconciliation effect to the EE&C Surcharge adjusted for gross receipts tax, and levelized over the period of the upcoming June 1 and continuing through the remaining months of the surcharge. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2013.

(N) Indicates New