

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (In PA only)

FAX (717) 783-7152
consumer@paoca.org

IRWINA. POPOWSKY
Consumer Advocate

January 4, 2010

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

RE: Metropolitan Edison Company Energy
Efficiency and Conservation Plan
Docket No. M-2009-2092222
Pennsylvania Electric Company Energy
Efficiency and Conservation Plan
Docket No. M-2009-2112952
Pennsylvania Power Company Energy
Efficiency and Conservation Plan
Docket No. M-2009-2112956

Dear Secretary McNulty:

Enclosed for filing are the Comments 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 "Candis A. Tunilo".

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891

Enclosure

cc: Honorable David A. Salapa

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Metropolitan Edison Company Energy Efficiency and Conservation Plan	:	Docket No.	M-2009-2092222
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Pennsylvania Electric Company Energy Efficiency and Conservation Plan	:	Docket No.	M-2009-2112952
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Pennsylvania Power Company Energy Efficiency and Conservation Plan	:	Docket No.	M-2009-2112956
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COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org
Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891
E-Mail: CTunilo@paoca.org
Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TMcCloskey@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: January 4, 2010

I. INTRODUCTION

The Office of Consumer Advocate files these Comments in response to the Commission's December 17, 2009 Order in the FirstEnergy Companies' Energy Efficiency and Conservation Plan proceeding at Docket No. M-2009-2092222, et al. In its December 17 Order, the Commission directed the FirstEnergy Companies to re-file corrected black-lined copies of each Company's Energy Efficiency and Conservation Plan (Plan) that would allow parties a reasonable opportunity to review the extensive modifications contained therein. December 17 Order at 7-8. On December 22, 2009, the Companies filed black-lined versions of their modified energy efficiency plans. Pursuant to the Commission's December 17 Order, the parties' Comments on the corrected, revised Plans are due Monday, January 4, 2010. Order at 8. The OCA has reviewed the black-lined Plans over the holidays to the extent possible and provides these Comments.¹

II. COMMENTS

The OCA's review has identified two modifications that require additional explanation by the Companies. For each subject, the OCA submits that the Companies should be prepared to explain the reasons for the changes, and the best way to move forward, as part of the first Stakeholder Collaborative meeting that the Companies will hold pursuant to the Commission's Order approving their energy efficiency plans. October 22 Order at 55.

First, and most importantly, the OCA is concerned with changes made in the Residential Direct Load Control Program. In its initial review of the Companies' Plans, the OCA identified errors in the amount budgeted for the Direct Load Control (DLC) program. The Companies accepted the OCA's adjustment to the budgets for these programs, with minor modifications,

¹ The OCA was assisted in its review of the black-lined Modified Plans by Dr. David Hill, the OCA's witness in the underlying proceeding.

which significantly reduced the budgeted amount for the DLC program during the Plan years. See October 22 Order at 29.

The Residential Direct Load Control program budget contained in the Companies' modified Plans does not include the forward year incentive payments or O&M expense that was of concern to the OCA. The OCA believes this is consistent with the Commission's Order approving the Plans. In addition, the Companies have proposed an increased budget for their Residential DLC programs in order to match a \$15 million DOE smart grid grant. The OCA supports the Companies' efforts to leverage other sources of funding in order to meet the aggressive goals contained in their Energy Efficiency Plans. Of concern to the OCA, however, is the Companies' reductions in the participation numbers in the Residential DLC program. Upon reviewing the modified plans, the OCA submits that the Companies have cut the participation numbers roughly in half. See Black-lined Plan, Appendix F (page 1 of 3). This is accompanied by an increase in per participant savings. See Black-lined Plan, Appendix E (page 1 of 3).

The OCA submits that, upon initial review, the only way that doubling both funding (through use of the DOE grant) and the amount of energy savings per unit can result in a reduction in the level of participation is if the cost per unit has increased significantly. If the Companies are proposing to increase the unit cost of the program by a factor of 4 to gain a doubling of per unit savings, issues regarding the design and effectiveness of the program are raised. The OCA submits that these changes and the resulting issues should be more thoroughly addressed by the Companies.

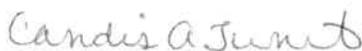
The second issue identified by the OCA in the black-lined Plans concerns the Companies' tracking and reporting system. The Companies' Measurement and Verification (M&V) Tracking and Reporting Software budgets have increased considerably. For Met-Ed, this

figure has increased from \$177,000 in the original Plan to more than \$914,000 in the modified Plan. See Black-lined Plan at 117-118. The OCA submits that, while robust IT systems are very important, and often under-budgeted, the Companies should provide additional information concerning the added functionality and rationale for a cost increase of this size.

III. CONCLUSION

The OCA submits that, overall, the plan has improved considerably from the original filings. The OCA further submits, however, that the Companies must explain the changes concerning their Residential Direct Load Control programs and the increases in their M&V budgets, as contained in their Modified Plans. The Collaborative process ordered by the Commission provides a reasonable venue to address these concerns. As such, the OCA submits that the Companies should be required to provide the Commission with an explanation of these changes and be prepared to address these issues as needed in the first Collaborative meeting.

Respectfully submitted,



Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891
E-Mail: CTunilo@paoca.org

Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TmcCloskey@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: January 4, 2010

CERTIFICATE OF SERVICE

Metropolitan Edison Company Energy Efficiency and Conservation Plan	:	Docket No.	M-2009-2092222
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	:		

I hereby certify that I have this day served a true copy of the foregoing document, Comments 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 4th day of January 2010.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Charles Daniel Shields, Esquire
Carrie Wright, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
Counsel for: *Office of Trial Staff*

SERVICE BY E-MAIL and FIRST CLASS MAIL

Bradley A. Bingaman, Esquire
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA19612-6001
Counsel for: *FirstEnergy Service Company*

Kathy J. Kolich, Esquire
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
Counsel for: *FirstEnergy Service Company*

Renardo L. Hicks, Esquire
Steven & Lee
16th Floor
17 North Second Street
Harrisburg, PA 17101
Counsel for: *Metropolitan Edison Company,
Pennsylvania Electric Company and
Pennsylvania Power Company*

Daniel G. Asmus
Lauren M. Lepkoski
Assistant Small Business Advocates
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101
Counsel for: *Office of Small Business Advocate*

Lillian S. Harris, Esquire
Thomas J. Sniscak, Esquire
Hawke McKeon & Sniscak, LLP
P.O. Box 1778
100 North Tenth Street
Harrisburg, PA 17101
Counsel for: *UGI Corporation and The
Peoples Natural Gas Company d/b/a Dominion
Peoples*

Scott Perry, Assistant Counsel
Aspassia V. Staevska, Assistant Counsel
Commonwealth of Pennsylvania
RCSOB, 9th Floor
400 Market Street
Harrisburg, PA 17101
Counsel for: *Department of Environmental
Protection*

George Jugovic
Assistant Counsel
Commonwealth of Pennsylvania
Department of Environmental Protection
400 Waterfront Drive
Pittsburgh, PA 15222-4745
Counsel for: *Department of Environmental
Protection*

Kent D. Murphy
Senior Counsel
UGI Utilities, Inc.
460 North Gulph Road
King of Prussia, PA 19406
Counsel for: *UGI Corporation*

Christopher A. Lewis, Esquire
Christopher R. Sharp, Esquire
Melanie J. Tambolas, Esquire
Blank Rome, LLP
One Logan Square
Philadelphia, PA 19103
Counsel for: *Field Diagnostic Services, Inc.*

Harry S. Geller, Esquire
John C. Gerhard, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101-1414
Counsel for: *Pennsylvania Association of
Community Organizations for Reform Now*

Daniel Clearfield, Esquire
Kevin J. Moody, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 81h Floor
P.O. Box 1248
Harrisburg, PA 17108-1248
Counsel for: *Direct Energy Business, LLC*

Charis Mincavage, Esquire
Barry A. Naum, Esquire
Shelby A. Linton-Keddie, Esquire
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Counsel for: *Met-Ed Industrial Users Group,
Penelec Industrial Customer Alliance, and
Penn Power Users Group*

Lee E. Hartz
Assistant General Counsel
National Fuel Gas Distribution Corporation
P.O. Box 2081
Eric, PA 16512
Counsel for: *National Fuel Gas Distribution
Corporation*

Edward P. Yim, Esquire
Office of Representative Camille "Bud"
George
Environmental Resources and Energy
Committee
4 East Wing
P.O. Box 202074
Harrisburg, PA 17120
Counsel for: *Representative Camille "Bud"
George*

Scott H. DeBroff, Esquire
Rhoads & Sinon, LLP
Twelfth Floor
One south Market Square
Harrisburg, PA 17108-1146
Counsel for: *EnerNOC, Inc.*

Pamela Polacek, Esquire
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Counsel for: *ClearChoice Energy, Inc.*

Theodore Gallagher, Esquire
Senior Counsel
NiSource Corporate Services Company
501 Technology Drive
Canonsburg, PA 15317
Counsel for: *Columbia Gas of Pennsylvania,
Inc.*

Brian J. Knipe, Esquire
Michael T. Killion, Esquire
Buchanan Ingersoll & Rooney, PC
15th Floor
17 North Second Street
Harrisburg, PA 17101-1503
Counsel for: *Constellation Power Source
Generation, Inc.*

Candis A Tunilo

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org
Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891
E-Mail: CTunilo@paoca.org
Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: TMcCloskey@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

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