

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 8, 2010

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 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 "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	:	

COMMENTS
OF THE
OFFICE OF CONSUMER ADVOCATE

I. INTRODUCTION

On December 23, 2009, PECO Energy Company (PECO or Company) filed its Revised Energy Efficiency and Conservation Plan (EE&C Plan) with the Pennsylvania Public Utility Commission's (Commission). The Revised EE&C Plan was filed in accordance with the Commission's October 28, 2009 Order in this proceeding which approved, with modifications, PECO's originally filed July 1, 2009 EE&C Plan. On December 24, 2009, the Commission issued a Secretarial Letter extending the Comment period until January 8, 2010.

In filing these Comments, the OCA is only reviewing the limited issue of whether PECO's Revised EE&C Plan is in compliance with the Commission's October 28, 2009 EE&C Plan Order (EE&C Plan Order). The OCA would note that the short comment period (spanning the holidays) as well as the lack of workpapers supporting the changes has limited the scope of the OCA's review. The OCA has not been able to confirm the numbers presented in the revised EE&C Plan and hopes that the Company will continue to work with interested stakeholders in the collaborative process to address any concerns that may arise.

II. COMMENTS

A. Super Peak Time of Use (TOU) Rates

In its EE&C Plan Order, the Commission stated that it was “inappropriate to include the costs of [the TOU] programs in the EE&C Plan budget.” EE&C Plan Order at 73. The Commission then approved the rate program as part of the Plan but specifically reserved the approval of the cost allocation issues for “future proceedings when the TOU rates, costs and rate designs are finalized.” Id. As the specifics of the TOU program will be addressed in a separate proceeding, the OCA will address any issues that it may have regarding the program, its design or cost recovery at that time.

The OCA would note, however, that any costs of, or resulting from, the TOU program—no matter if recovered in the EE&C Surcharge or via another mechanism—*must* fall within the two percent (2%) cap. Failure to so limit these costs would allow the Company to circumvent the specific directives of Act 129. The OCA requests that the Commission specifically include this limitation in the Order addressing these comments.

B. Other Tariff Changes

While the Commission did order certain modifications to the proposed tariff as part of its EE&C Plan Order, the Company also included changes to the tariff that appear to be related to a prior approved tariff change rather than the EE&C Plan. For example, on Tariff Page No. 35 for Rate R, the Variable Distribution Charge should be 0.01 cents per KWH lower than the previous versions of the tariff, as the EE&C charge went to 0.34 cents per KWH from 0.35 cents per KWH. However, the revised tariff shows that this charge increases by 0.04 cent per KWH. Also, the default service rates for Rate R decline substantially as the Competitive Transition Charge (CTC) increases. Similar changes exist in most of the rate schedule Tariff

Sheets. The Company should verify that these changes are, in fact, related to an intervening tariff change and that the final rates properly reflect the EE&C surcharge amount.

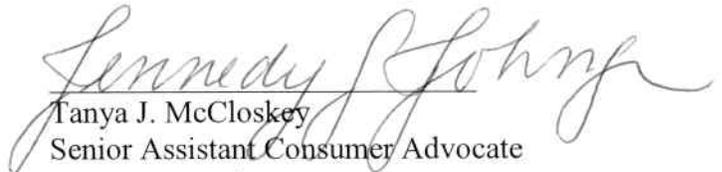
Additionally, some Tariff Sheets are incomplete. For example, Tariff Page No. 49A has placeholder letters (such as “xx.xx cents per KWH”) for default service rates. A new Rate OP for residential off-peak service and an on-peak rate for Rate GS have been added, but it is not clear how these rates relate to the changes required by the Order. The Commission should not approve these changes as part of this compliance filing as they are unrelated to the EE&C Plan.

The OCA submits that PECO should explain all of the components of its revised tariff. Additionally, the OCA submits that any changes to the tariff not resulting from the EE&C Plan or not previously approved as part of another tariff filing should not be approved as part of a ruling on the compliance filing.

III. CONCLUSION

WHEREFORE, the OCA submits that the Company's EE&C Plan should be modified in accordance with these Comments in order to be compliant with the Commission's October 28, 2009 Order.

Respectfully submitted,



Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney Id. No. 50044
E-Mail: TMcCloskey@paoca.org
Jennedy S. Johnson
Assistant Consumer Advocate
PA Attorney Id. No. 203098
E-Mail: JJohnson@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

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

DATE: January 8, 2010
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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, 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 8th day January 2010.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Richard A. Kanaskie, Esquire
Carrie B. 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

Romulo Diaz, Esquire
Anthony E. Gay, Esquire
Exelon Business Services Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
Counsel for: *PECO Energy Company*

Thomas P. Gadsden, Esquire
Kenneth M. Kulak, Esquire
Anthony C. DeCusatis, Esquire
Morgan Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Counsel for: *PECO Energy Company*

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: *Philadelphia Area Industrial Energy Users Group*

Daniel G. Asmus
Sharon E. Webb
Assistant Small Business Advocates
Office of Small Business Advocate
Commerce Building, Suite 1102
300 N. Second Street
Harrisburg, PA 17101
Counsel for: *Office of Small Business Advocate*

Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
Consultant for: *Office of Small Business Advocate*

Jonathan Stein, Esquire
Philip Bertocci, Esquire
Thu B. Tran, Esquire
Community Legal Services Inc.
1424 Chestnut Street
Philadelphia, PA 19103
Counsel for: *Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia*

J. Barry Davis, Esquire
Scott J. Schwarz, Esquire
City of Philadelphia Law Department
1515 Arch Street, 16th Floor
Philadelphia, PA 19102
Council for: *City of Philadelphia*

Scott Perry, Assistant Counsel
Aspassia V. Staevska, Assistant Counsel
Commonwealth of Pennsylvania
Department of Environmental Protection
RCSOB, 9th Floor
400 Market Street
Harrisburg, PA 17101-2301
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*

Roger Clark, Esquire
The Reinvestment Fund
Sustainable Development Fund
718 Arch Street, Suite 300 North
Philadelphia, PA 19106
Counsel for: *The Reinvestment Fund*

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

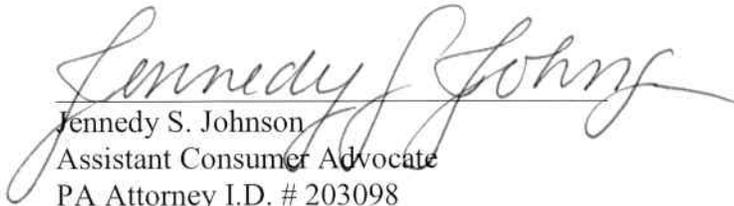
Charles McPhedran
PennFuture
1518 Walnut Street, Suite 1100
Philadelphia, PA 19102
Counsel for: *Citizens for Pennsylvania's Future*

Daniel Clearfield, Esquire
Kevin J. Moody, Esquire
Eckert Seamans Cherin & Mellott, LL
8th Floor
213 Market Street
Harrisburg, Pa 17101
Counsel for: *Direct Energy Business LLC*

Daniel Ocko, Esquire
House Democratic Caucus
Office of Representative Mark B. Cohen
128 Main Capital
P.O. Box 202074
Harrisburg, PA 17120
Counsel for: *Representative Mark B. Cohen*

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.
and Constellation NewEnergy, Inc.*

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



Kennedy S. Johnson
Assistant Consumer Advocate
PA Attorney I.D. # 203098
E-Mail: jjohnson@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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