



LEGAL SERVICES

800 Cabin Hill Drive
Greensburg, PA 15601-1689
PH: (724) 838-6210
FAX: (724) 830-7737
jmunsch@alleghenyenergy.com

September 10, 2010

Rosemary Chiavetta, 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 Costs through a Reconcilable Adjustment Clause and Approval of Matters Relating to the Energy Efficiency and Conservation Plan; Docket No. M-2009-2093218
Petition for Approval of Amended Energy Efficiency and Conservation Plan

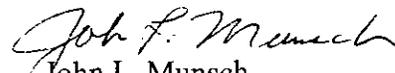
Dear Secretary Chiavetta:

West Penn Power Company d/b/a Allegheny Power hereby files with the Pennsylvania Public Utility Commission an Amended Energy Efficiency and Conservation Plan and a Petition for approval of the Amended Plan. The Petition and the Amended Plan are filed in accord with the Commission's Secretarial Letter issued September 1, 2010, regarding the format for electric distribution companies to present proposed changes to Commission-approved plans.

The filing contains both a clean version and a black-lined version of the Amended Energy Efficiency and Conservation Plan. A CD containing the clean and black-lined versions is also enclosed.

Copies of the Amended Plan and the Petition are being served on parties to the Energy Efficiency and Conservation proceeding at the above docket by express delivery as shown on the attached Certificate of Service. This filing is made by express delivery and is deemed filed today pursuant to 52 Pa. Code § 1.11.

Respectfully submitted,


John L. Munsch
Attorney

JLM:sac
Enclosures

cc: Certificate of Service
The Honorable James H. Cawley, Chairman
The Honorable Tyrone J. Christy, Vice Chairman
The Honorable Kim Pizzingrilli, Commissioner
The Honorable Robert F. Powelson, Commissioner
The Honorable Wayne E. Gardner, Commissioner
C. Walker-Davis, Esquire, Director – Office of Special Assistants
Paul Diskin – Bureau of Fixed Utility Services
Robert F. Young, Esq. – Law Bureau
Wayne Williams – Bureau CEEP

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**PETITION OF WEST PENN POWER COMPANY
d/b/a ALLEGHENY POWER TO AMEND ITS
ENERGY EFFICIENCY AND CONSERVATION PLAN**

West Penn Power Company d/b/a Allegheny Power (“Allegheny Power” or “the Company”) submits an amended Energy Efficiency and Conservation and Demand Response Plan (“EE&C/DR Plan”) for approval of the Pennsylvania Public Utility Commission (“Commission”) to meet the energy and demand reduction targets of Act 129 of 2008 (“Act 129”). This Petition and amended EE&C/DR Plan are submitted pursuant to the Commission’s Order entered October 23, 2009, describing procedures for amending approved plans, and pursuant to the Secretarial Letter dated September 1, 2010, which also described amendment procedures. This Petition reiterates the “Overview of Plan Changes” found in the amended Plan beginning at page 11. The Company requests that the Commission approve the amended EE&C/DR Plan in a timely manner for the Company to perform the necessary EE&C/DR Plan and program revisions to meet Act 129 requirements.

1. The attorneys representing Allegheny Power in this proceeding authorized to accept service are:

John L. Munsch
800 Cabin Hill Drive
Greensburg, Pennsylvania 15601
(724) 838-6210
jmunsch@alleghenyenergy.com
Attorney I.D. No. 31489

John F. Povilaitis
RYAN, RUSSELL, OGDEN & SELTZER
800 North Third Street, Suite 101
Harrisburg, Pennsylvania 17102-2025
(717) 236-7714
jpovilaitis@ryanrussell.com
Attorney I.D. No. 28944

2. The Company filed its EE&C/DR Plan with the Commission on June 29, 2009. The EE&C/DR Plan was approved by Commission Orders at the above-captioned docket entered October 23, 2009, March 1, 2010 and June 23, 2010. In its Orders the Commission cited concerns about the Company's reliance on the rapid deployment of smart meters and encouraged the Company to develop an alternative EE&C/DR plan less reliant on smart meters.

3. The Company's amended EE&C/DR Plan is based on additional experience it has obtained since filing its original EE&C/DR Plan. The additional experience has allowed the Company to develop an alternative EE&C/DR Plan that deemphasizes the deployment of smart meters and emphasizes other, non-smart meter programs to meet the requirements of Act 129. The additional experience gained that underpins the alternative EE&C/DR Plan includes:

- The June 2010 Technical Reference Manual Update which provides deemed savings for prescriptive energy efficiency and conservation measures.
- The efforts to develop Interim Deemed Savings by the Technical Working Group under direction of the Statewide Evaluator for additional prescriptive energy efficiency and conservation measures.

- The measurement and verification plans being established in consultation with the Company's measurement and verification contractor and the Statewide Evaluator.
- Implementation and Program Management of the Company's Act 129 EE&C programs to date.

4. The Company's alternative EE&C/DR Plan removes four programs that relied on smart meter technology, as the term "smart meter technology" is defined at Section 2807(f) of the Public Utility Code, 66 Pa.C.S. §2807(f). The four removed programs are:

- Residential Efficiency Rewards Rate, as described beginning at page 72 of the EE&C/DR Plan submitted April 29, 2010 and approved June 23, 2010.
- Programmable Controllable Thermostat (PCT) Demand Response Program, as described beginning at page 76 of the EE&C/DR Plan submitted April 29, 2010.
- Pay Ahead (Smart) Service Rate, as described beginning at page 80 of the EE&C/DR Plan submitted April 29, 2010.
- Hourly Pricing Option Rate, as described beginning at page 88 of the EE&C/DR Plan submitted April 29, 2010.

5. The Company's amended EE&C/DR Plan retains two programs that rely on smart meter technology. The smart-meter-enabled programs are voluntary programs that offer a demand response program to all customer classes and support time-of-use pricing plans:

- Critical Peak Rebate (CPR) Rate Offering for residential customers, as described beginning at page 66 of the amended EE&C/DR Plan.
- Time of Use (TOU) with Critical Peak Pricing Rate Offering for Small Commercial and Industrial and Government, School and Non-Profit customers, as described beginning at page 98 of the amended EE&C/DR Plan.

6. The Company proposes to make additional EE&C/DR Plan changes to meet the requirements of Act 129, based on the changes to the Smart Meter programs listed above as well as on the additional experience gained since the Company filed its original EE&C/DR Plan. The program changes include:

- a. Home Performance Program: The Company is consolidating the “Check Up” and “Comprehensive” audit measures included in the Home Performance Program into a single “In Home” audit measure to simplify program design and administration. This, in conjunction with a revised estimate of program participation based on feedback from program management, results in a decreased program budget. See amended EE&C/DR Plan at page 61.
- b. Low Income Room Air Conditioner Replacement Program: The Company is removing this program as a stand-alone program and instead is providing for the replacement of room air conditioners through the Company’s Low Income Home Performance Check Up with Appliance Replacement Program. Replacement of room air conditioners is already included in the Company’s Low Income Home Performance Check Up with Appliance Replacement Program and the removal of this stand-alone program removes duplicity from the Company’s EE&C/DR Plan. See amended EE&C/DR Plan at page 70.
- c. Commercial and Industrial Drives Program: The Company is removing this program and instead is providing for the installation of energy efficient drives through the Company’s custom programs. The Company plans to provide for Commercial and Industrial Drives through the existing Custom Technology Applications and Custom Applications Programs due to the requirement for custom measurement and

verification protocols. Handling energy efficient drives and custom measurement and verification protocols through the custom programs leverages existing processes and streamlines program administration. See amended EE&C/DR Plan at pages 92 and 103.

- d. Residential (HVAC/Whole Home Appliance) and Commercial HVAC Efficiency Programs: The Company is replacing the incentive for the installation of new energy efficient HVAC units with an incentive for the maintenance of existing HVAC units. The Technical Reference Manual was changed to allow for energy and demand savings for maintenance activities of residential HVAC units. The change provides an incentive for maintenance activities and should allow more customers to participate due to the much lower cost of performing maintenance as opposed to the higher cost of new installations. See amended EE&C/DR Plan at pages 56 and 82.
- e. Commercial (Lighting/Products) Efficiency Program: The Company is revising its Commercial (Lighting/Products) Efficiency Program to expand the eligible lighting measures by leveraging the June 2010 Technical Reference Manual update to provide the opportunity for more customers to participate in the program and for additional energy and demand savings due to the addition of different lighting types and sizes in Appendix C of the Technical Reference Manual. This change also results in an increased program budget. See amended EE&C/DR Plan at page 87.
- f. Custom Technology Applications Program: The Company is expanding the Custom Technology Applications Program to provide the opportunity for more customer projects to be completed. This is based on program implementation and management to date which supports the opportunity for additional customer projects to be

completed than originally projected. This results in an increased program budget. See amended EE&C/DR Plan at page 92.

- g. Custom Applications Program: Similar to the expansion of the Custom Technology Applications Program, the Company is expanding the Custom Applications Program to provide the opportunity for more customer projects to be completed. This is based on program implementation and management to date which supports the opportunity for additional customer projects than originally projected. This change results in an increased program budget. See amended EE&C/DR Plan at page 103.
- h. Residential Energy Star Domestic Water Heating measure: The Company is adding a new measure to the Residential (HVAC/Whole Home Appliance) Efficiency Program. The development of Interim Deemed Savings for Energy Star Domestic Water Heating types provides for additional energy and demand savings not already included in the Company's EE&C/DR Plan. See amended EE&C/DR Plan at page 56.
- i. Commercial Smart Strips measure: The Company is adding Smart Strips to the Company's Commercial (Lighting/Products) Efficiency Program. This is based on the development of Interim Deemed Savings for Smart Strips which supports the opportunity for additional energy and demand savings not already included in the Company's EE&C/DR Plan due to the addition of Smart Strips for non-residential customers. See amended EE&C/DR Plan at page 87.

7. *Additional non-program changes were included in the amended EE&C/DR Plan, as follow:*

- All cost categories (administration, marketing, outside services, measurement and verification and customer incentives) were updated based on actual costs or revised

participation or costs associated with the program changes. The updating includes reallocation of common costs based on revised program portfolio.

- The testing for cost-effectiveness for revised programs was updated based on program impacts and program costs.

8. Detailed program descriptions and budgets associated with the above program changes can be found in Section 3.2 of the amended EE&C/DR Plan. Changes in program make up and budgets cause a shift in cost allocation from residential to non-residential programs. Table 5, found in the amended EE&C/DR Plan at page 40 (titled “Budget and Parity Analysis Summary of the alternative EE&C/DR Plan”), provides the following budget cost allocation changes by customer sector (showing current approved plan compared to amended plan):

- Residential: 43% to 36%
- Residential, Low Income: 14% to 13%
- Small Commercial and Industrial: 21% to 27%
- Large Commercial and Industrial: 16% to 18%
- Government/Non-Profit: 6% to 5%

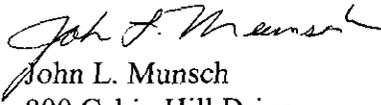
The small commercial and industrial class is composed of customers with loads less than 500 kW. The large commercial and industrial class is composed of customers with loads of 500 kW or greater.

9. The Company has solicited input and feedback from stakeholders during development of its amended EE&C/DR Plan. In addition to informal discussions the Company conducted two additional stakeholder meetings on June 10 and August 5, 2010.

WHEREFORE, Allegheny Power requests that the Pennsylvania Public Utility Commission enter an Order approving Allegheny Power's amended Energy Efficiency and Conservation and Demand Response Plan.

Respectfully submitted,

Date: September 10, 2010


John L. Munsch
800 Cabin Hill Drive
Greensburg, Pennsylvania 15601
(724) 838-6210
jmunsch@alleghenyenergy.com
Attorney I.D. No. 31489

John F. Povilaitis
RYAN, RUSSELL, OGDEN & SELTZER, P.C.
800 North Third Street, Suite 101
Harrisburg, Pennsylvania 17102-2025
(717) 236-7714
jpovilaitis@ryanrussell.com
Attorney I.D. No. 28944

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West Penn Power Company

d/b/a Allegheny Power

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Pennsylvania Act 129

Energy Efficiency and Conservation Plan

September 10, 2010

Pennsylvania Public Utility Commission Docket
No. M-2009-2093218



Allegheny Power
Energy Efficiency and Conservation Plan

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Overview of Plan Changes

West Penn Power Company d/b/a Allegheny Power ("Allegheny Power" or "the Company") is submitting for approval of the Pennsylvania Public Utility Commission ("Commission" or "PUC") an alternative Energy Efficiency and Conservation and Demand Response Plan ("EE&C/DR Plan") to comply with Act 129 of 2008 ("Act 129"). The Company's Act 129 EE&C/DR Plan was approved by Commission Orders dated October 23, 2009, March 1, 2010 and June 23, 2010. In its Orders the Commission cited concerns related to the Company's reliance on the rapid deployment of smart meters and has encouraged the Company to develop an alternative EE&C/DR plan that is "less reliant" on smart meters.

The Company's alternative EE&C/DR Plan is based on additional experience gained since filing its original EE&C/DR Plan in 2009. This additional experience has permitted the Company to develop an alternative EE&C/DR Plan placing greater emphasis on non-Smart Meter enabled programs to meet the requirements of Act 129. The additional experience gained that underpins the alternative EE&C/DR Plan includes:

- The June 2010 Technical Reference Manual Update which provides deemed savings for prescriptive energy efficiency and conservation measures
- The efforts to develop Interim Deemed Savings by the Technical Working Group under direction of the Statewide Evaluator for additional prescriptive energy efficiency and conservation measures
- The measurement and verification plans being established in consultation with the Company's measurement and verification contractor and the Statewide Evaluator
- Implementation and Program Management of the Company's Act 129 EE&C programs to date

The changes to the Company's EE&C/DR Plan related to Smart Meters can be summarized as follows:

1. The Company's alternative EE&C/DR Plan removes the following Smart Meter enabled programs to reduce reliance of the Plan on the rapid deployment of Smart Meters:
 - Residential Efficiency Rewards Rate
 - Pay Ahead Smart Service Rate
 - Hourly Pricing Option Rate
 - Programmable Controllable Thermostat (PCT) Demand Response Program
2. The Company's alternative EE&C/DR Plan maintains the following voluntary Smart Meter enabled programs to offer a demand response program to all customer classes and support time-of-use/real time pricing plans:
 - Critical Peak Rebate (CPR) Rate Offering for residential customers
 - Time of Use (TOU) with Critical Peak Pricing Rate Offering for Commercial / Industrial Smalland Government, School and Non-Profit customers

Additional EE&C/DR Plan changes are required due to changes to the Smart Meter programs listed above as well as on the additional experience gained since the Company filed its

original EE&C/DR Plan in order to meet the requirements of Act 129. Also, some program name changes result from the program changes and the name change is represented by “(old/new)” nomenclature below. The program changes include:

1. Home Performance Program: The Company is consolidating the “Check Up” and “Comprehensive” audit measures included in the Home Performance Program into a single “In Home” audit measure to simplify program design and administration. This, in conjunction with a revised estimate of program participation based on feedback from program management, results in a decreased program budget.
2. Low Income Room Air Conditioner Replacement Program: The Company is removing this as a stand alone program and instead providing for the replacement of room air conditioners through the Company’s Low Income Home Performance Check Up with Appliance Replacement Program. Room Air Conditioner Replacement is already included in the Company’s Low Income Home Performance Check Up with Appliance Replacement Program and the removal of this stand alone program removes duplicity of this measure in the Company’s EE&C/DR Plan.
3. Commercial and Industrial Drives Program: The Company is removing this program and instead providing for the installation of energy efficient drives through the Company’s custom programs. The Company plans to provide for Commercial and Industrial Drives through the existing Custom Technology Applications and Custom Applications Programs due to the requirement for custom measurement and verification protocols. Handling energy efficient drives and custom measurement and verification protocols through the custom programs leverages existing processes and streamlines program administration.
4. Residential (HVAC/Whole Home Appliance) and Commercial HVAC Efficiency Programs: The Company is replacing the incentive for the installation of new energy efficient HVAC units with an incentive for the maintenance of existing HVAC units. The Technical Reference Manual provides for energy and demand savings for maintenance activities of residential HVAC units. The change to providing an incentive for maintenance activities provides the opportunity for more customers to participate due to the much lower cost of performing maintenance as opposed to the higher cost of new installations.
5. Commercial (Lighting/Products) Efficiency Program: The Company is revising its Commercial (Lighting/Products) Efficiency Program to expand the eligible lighting measures by leveraging the June 2010 Technical Reference Manual update. This provides the opportunity for more customers to participate in the program and for additional energy and demand savings due to the addition of different lighting types and sizes that are contained in Appendix C of the Technical Reference Manual. This also results in an increased program budget.
6. Custom Technology Applications Program: The Company is expanding the Custom Technology Applications Program to provide the opportunity for more customer projects to be completed. This is based on program implementation and management to date which supports the opportunity for additional customer projects to be completed than originally projected. This results in an increased program budget.
7. Custom Applications Program: Similar to the expansion of the Custom Technology Applications Program, the Company is expanding the Custom Applications Program to provide the opportunity for more customer projects to be completed. This is based on

program implementation and management to date which supports the opportunity for additional customer projects to be completed than originally projected. This results in an increased program budget.

8. Residential Energy Star Domestic Water Heating measure: The Company is adding a new measure to the Residential (HVAC/Whole Home Appliance) Efficiency Program. This is based on the development of Interim Deemed Savings for new Energy Star Domestic Water Heating types which provides the opportunity for more customers to participate in the program and supports the opportunity for additional energy and demand savings not already included in the Company's EE&C/DR Plan.
9. Commercial Smart Strips measure: The Company is adding Smart Strips to the Company's Commercial (Lighting/Products) Efficiency Program. This is based on the development of Interim Deemed Savings for Smart Strips which provides the opportunity for more customers to participate in the program and supports the opportunity for additional energy and demand savings not already included in the Company's EE&C/DR Plan.

Additional non-program changes were completed to the alternative EE&C/DR Plan including:

- Updated cost categories (administration, marketing, outside services, measurement and verification and customer incentives) based on actual costs or revised participation or costs associated with the program changes. Includes reallocation of common costs based on the revised program portfolio.
- Updated cost-effectiveness testing based on revised programs, program impacts and program costs.

Detailed Program Descriptions and budgets associated with the above program changes can be found in Section 3.2 of the alternative EE&C/DR Plan. Due to changes in program make up and budgets, the alternative EE&C/DR Plan causes a shift in cost allocation from residential to non-residential programs. Table 5: Budget and Parity Analysis Summary of the alternative EE&C/DR Plan provides the following budget cost allocation changes by customer sector (current approved plan to alternative plan):

- | | |
|------------------------------------|------------|
| - Residential: | 43% to 36% |
| - Residential, Low Income: | 14% to 13% |
| - Small Commercial and Industrial: | 21% to 27% |
| - Large Commercial and Industrial: | 16% to 18% |
| - Government/Non-Profit: | 6% to 5% |

The Company has solicited input and feedback from stakeholders during development of the alternative EE&C/DR Plan. In addition to informal discussions the Company conducted two additional stakeholder meetings on June 10 and August 5, 2010 and appreciates the stakeholder involvement and feedback provided.

Overview of Plan

West Penn Power Company d/b/a Allegheny Power (“Allegheny Power” or “the Company”) is a Pennsylvania electric distribution company (“EDC”) providing service in southwestern, south-central and northern Pennsylvania. Allegheny Power serves approximately 715,000 customers in Pennsylvania in an area of about 10,400 square miles with a population of approximately 1.5 million. Allegheny Power is a wholly owned subsidiary of Allegheny Energy, Inc. Allegheny Power and Allegheny Energy, Inc., have corporate headquarters at 800 Cabin Hill Drive, in the City of Greensburg, Westmoreland County, Pennsylvania.

On October 15, 2008, Governor Edward Rendell signed Act 129 of 2008 (“Act 129”), to be effective November 14, 2008. Act 129 requires EDCs with at least 100,000 customers in Pennsylvania to adopt a plan to reduce energy consumption and demand in their service territories. As directed by Act 129 the Pennsylvania Public Utility Commission (“Commission” or “PUC”) entered an Implementation Order on January 16, 2009 at Docket No. M-2008-2069887 establishing standards for EDC plans under Act 129.

Allegheny Power proposes to meet the energy efficiency and conservation requirements of Act 129 with a portfolio of 16 energy-efficiency and conservation (“EE&C”) and demand response (“DR”) programs, and rate offerings, including 7 for the residential sector and 9 for commercial, industrial, government, school and non-profit customers. Included in Allegheny Power’s plans are measures or programs that target customers in each of the Company’s customer segments – residential, commercial, and industrial - respectively. Most of Allegheny Power’s EE&C and DR measures target the major energy-consuming systems in households and businesses. These systems include, but are not limited to: heating, ventilating and air conditioning (“HVAC”), refrigeration, and clothes washing and drying appliances (“White Goods”) and lighting. Allegheny Power’s EE&C and DR measures and programs have been designed with a sufficiently broad scope and variety to provide opportunity for all of the Company’s Pennsylvania customers to participate and benefit. Many of the Company’s EE&C and DR measures and programs provide customers with rebates or other direct incentives that not only encourage participation but also foster positive behavioral change that in turn creates lasting economic, environmental, and societal benefit.

The Company has sought to develop EE&C and DR programs that are consistent and uniform to minimize customer confusion and leverage customer education regarding energy efficiency and conservation. As a result, included in the Company’s Plan are programs that are proposed by other Pennsylvania EDCs as well as programs offered by the Company in its Maryland service territory. In addition, the Company has pursued discussions with stakeholders and the other Pennsylvania EDCs to develop consistency and uniformity within like programs including equipment eligibility requirements as well as proposed incentive levels and incentive structures. Furthermore, the Company has sought to leverage existing programs and resources in its Plan to avoid competition between like programs that may be available to customers. While variances do exist from EDC to EDC in their programs, the Company believes that these efforts have resulted in consistency and uniformity to the extent possible for this filing.

During the past several years and as part of a nationwide trend, Pennsylvania’s energy-consuming citizens and businesses have faced rising prices without the ready ability to

decrease their energy use or control costs. The Company's filing herein responds to this issue by providing Allegheny Power customers with robust energy conservation and efficiency programs enabling customers to reduce their electricity consumption and demand with the concomitant opportunity to save money. The measures, programs and rate offerings described in this EE&C and DR filing will help customers adjust their energy use with the aim of reducing overall consumption and decreasing peak demand for electricity.

Demand Response and the Smart Metering Infrastructure

Several of the proposed measures and programs in this filing are enhanced by and/or rely on the installation of Smart Meters as well as new rate structures and tariffs. The Company believes that Smart Meters and a set of complementary designed rates and tariffs are essential components of the Company's EE&C and DR plan to meet the mandated consumption and demand reduction targets mandated by Act 129. Well-designed rate structures, implemented in conjunction with Smart Meters, will allow customers the opportunity to change their energy usage behavior based on price signals in the electricity market. This filing concentrates on the description of the Company's EE&C and DR programs, measures, and rate offerings. The Company's Smart Meter Technology Procurement and Installation Plan ("SMIP") filing and other future anticipated rates and tariff filings will provide additional description and detail about the Company's compliance with the requirements of Act 129. The Company is hopeful that its SMIP and tariff filings will be approved in a timely manner in order for the Company to meet its goals.

The primary purpose of the smart metering efforts to enable the Company's EE&C and DR programs and rate offerings is to educate customers on their energy usage and the true cost of electricity and to assist the Company in: 1) achieving Act 129 mandates and 2) learning how to best serve customers who are in turn responding to price signals and saving energy. The program herein uses technology that has the capability to initially provide load data to verify customer compliance with a variety of electricity consumption guidelines and agreements with Allegheny Power established by rates and other EE&C and DR programs. The technology will have the capability of providing additional functionality in the future in conjunction with the deployment of smart metering infrastructure. Smart meters also allow customers to be more aware of their energy usage so that they can make more conscious decisions about how to use their energy. By having access to more timely information on their energy usage customers can link the consumption decision to real time, real life activities.

Allegheny Power's programs are designed to provide pragmatic, actionable results that achieve targets mandated by Act 129 and the energy conservation and DR targets that are likely to be mandated in the near future. Ultimately, the Company's success in achieving Act 129 goals relies on the combined ability of rates and programs and technology to influence customer behavior and choices about electricity consumption in homes and businesses. From years of experience, the Company knows that each customer will think about, behave and react differently to energy price signals based on individual choice, preference for comfort, or business need. Allegheny Power plans to use a combination of technical and non-technical solutions to influence customer choice and behavior. In the non-technical sphere, the Company will use various public media to educate and inform customers of the Company's EE&C and DR programs and rate offerings to achieve customer participation. In the

technological realm, this EE&C and DR filing assumes the approval and deployment of Smart Meters along with the application of email, text messaging or other social networking tools to provide ways of communicating with customers and influencing their behavior.

Each of the EE&C and DR measures and programs Allegheny Power has designed was developed with the imperative that customers would: 1) be provided with a participation incentive (e.g., financial and/or environmental); 2) be provided with information upon which to undertake decision or action; and/or 3) be provided the necessary measurements to receive full benefit in choosing to participate. To this end, the Company's planned technology and non-technical infrastructure and utility business operations must have the capability to:

- 1) Provide multiple means of communicating with customers and registering customer sign ups for the various programs such as through a customer service representative and through the integrated voice response system.
- 2) Provide for campaign management for each of the programs.
- 3) Provide for measurement of individual compliance to terms of the programs.
- 4) Provide for billing adjustments for various rates, tariff and pricing incentives.
- 5) Provide for service adjustments and additions to customer and account records
- 6) Provide for ongoing reporting of the effectiveness of each EE&C and DR program or measure.
- 7) Provide for continuous improvement in approved EE&C and DR programs and provide for the ability to improve the design of future programs.

While the Company has expended a considerable amount of effort in developing the programs in a manner to best meet the Act 129 targets and requirements, the Company does recognize that all Pennsylvania EDCs will gain valuable experience and knowledge from offering programs to Pennsylvania customers. Allegheny Power recognizes the dynamic nature of EE&C and DR programs and anticipates that the programs will change over time based on this experience and to meet the changing needs of customers, the environment and the Commonwealth. The Company proposes that all Pennsylvania EDCs will need to consider enhancements and revisions on a going forward basis to EE&C and DR programs based on this experience and that all parties will need to work together in order to maximize Plan effectiveness in meeting Act 129 targets and requirements. The Company will conduct stakeholder meetings at least twice annually to discuss any revisions or improvements to the Plan. The Company has also constructed the EE&C and DR plan with flexibility, scalability and adaptability to accommodate new technologies, new programs and new business requirements. Allegheny Power anticipates that once the 2011 and 2013 EE&C and DR goals are met, current and future programs along with the infrastructure investment will enable the Company to achieve potential new targets.

This EE&C and DR filing is a significant effort by the Company to achieve the energy and demand savings goals established under Act 129. The Company believes it will take considerable effort on behalf of all parties to ensure the success of the measures and programs herein submitted. In total, Allegheny Power's portfolio of EE&C and DR measures and programs represents an investment in energy efficiency of \$94.25 million, which will result in approximately 640.7 million kilowatt-hours ("kWh") of net energy savings and 158.3 megawatts ("MW") of net peak demand reduction. While the foundation

of the portfolio relies on well-established EE&C and DR programs that target the major energy consuming appliances, systems and processes, the projected savings rely on the installation of smart meters to support and enable programs and rate offerings for all customer classes, as well as encourage changing customer behavior, with the specific plan components included in the Company's SMIP and tariff filings. The Company is hopeful that its SMIP and tariff filings will be approved in a timely manner in order for the Company to meet its goals.

All programs and measures will be marketed under the Watt Watchers brand. Beginning in 2008, Allegheny started branding its energy efficiency and conservation programs under the Watt Watchers name. Watt Watchers is Allegheny Power's program to help customers learn more about saving energy and money. A brand is a consumer's perception of a product or service. The purpose of the Watt Watchers branding strategy is to build awareness of the Company's programs and demonstrate that its energy efficiency and conservation programs provide value. Messages will be based upon commitment to customer service and a need to develop programs that will capture the interest of customers. Ultimately, the Company's success in achieving Act 129 goals relies on the combined ability of rates, programs and technology to influence customer behavior and choices about electricity consumption in homes and businesses. For simplicity, the Watt Watchers name is not included in each program and measure name in this filing.¹

A list of acronyms and abbreviations used in this filing is located in Section 10.F.1.

1.1. Summary description of plan, plan objectives, and overall strategy to achieve energy efficiency and conservation goals.

Allegheny Power has sought to create a portfolio of EE&C and DR programs and rate offerings that enable all customers to participate in one or more programs. The proposed residential programs cover most of the major energy consuming appliances and equipment in the home thus increasing the opportunity for more residential customers to benefit from a measure or program and the attending rate offering. Likewise, the commercial and industrial programs encompass the core energy consuming appliances, equipment and machinery for commercial and industrial customers. Allegheny Power believes that its approach maximizes the potential for energy and cost savings because the Company's portfolio of programs addresses each energy consuming appliance, system or process across the full spectrum of its customer needs and electricity use cases. It is important to note that:

- The residential demand response programs, in conjunction with the rate offerings, utilize Smart Meters that will be installed at residential customers' homes and will be used to record and convey energy consumption information. The information will educate and further enable customers to make informed decisions and manage their monthly energy consumption and their monthly electricity bills.
- The commercial/industrial demand response programs are focused on achieving demand reduction goals by curtailing customer load. By using a mix of load

¹ See Section 9.2.4 for a detailed description of the Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign.

management, customer generation, and/or third-party curtailment service providers, significant demand reduction will be realized.

The proposed EE&C and DR measures, programs, and rate offerings are as shown in the following chart and described as follows:

Program Name	Energy Efficiency & Conservation	Demand Response	Enabled by Metering Infrastructure	Residential	Residential - Low Income	Small Commercial & Industrial	Large Commercial & Industrial	Governmental & Non-Profit
Residential Energy Star & High Efficiency Appliance Program	X			X	X	X	X	X
Compact Fluorescent Lighting (CFL) Rewards Program	X			X	X			
Residential Whole Home Appliance Efficiency Program	X			X	X			
Residential Home Performance Program	X			X	X			
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	X				X			
Residential Low Income Joint Utility Usage Management Program	X				X			
Critical Peak Rebate (CPR) Rate		X	X	X	X			
Commercial HVAC Efficiency Program	X					X	X	X
Commercial Products Efficiency Program	X					X	X	X
Governmental/Non-Profit Lighting Efficiency Program	X							X
Custom Technology Applications Program	X					X	X	X
Custom Applications Program	X						X	
Customer Load Response Program		X	X			X	X	X
Customer Resources Demand Response Program		X	X			X	X	X
Distributed Generation Program		X				X	X	X
Time of Use (TOU) Rate with Critical Peak Pricing Rate	X	X	X			X		X

Residential Energy Star and High Efficiency Appliance Program

The Energy Star and High Efficiency Appliance Program provides rebates to customers for the purchase of certain appliances that meet or exceed Energy Star or other efficiency ratings.² Mail-in and point-of-sale (where possible) rebates will be offered for clothes washers, clothes dryers, dishwashers, refrigerators (with turn-in), programmable thermostats, room air conditioners, room air conditioner recycling and freezers (with turn-in).

Compact Fluorescent Lighting (CFL) Rewards Program

The Residential CFL Rewards Program provides rebates or discounts to customers for the purchase and installation of single and multi-pack CFLs. Mail-in and point-of-sale (where possible) rebates and product markdowns will be offered for single-pack and multi-pack CFLs.

² In instances where Energy Star does not provide an efficiency rating for a device, other standards, such as the federal minimum efficiency standards may be used to establish eligibility criteria.

Residential Whole Home Appliance Efficiency Program

The Residential Whole Home Appliance Efficiency Program encourages customers to perform maintenance on their existing central air conditioner (CAC) or heat pump (HP) system. The program also encourages customers to replace existing electric hot water heaters with new Energy Star rated domestic hot water storage type units. To qualify for the rebates under this program, the work must be completed by a certified contractor.

Residential Home Performance Program

The Residential Home Performance Program provides a holistic approach to educating customers on energy efficiency and conservation, and to improving overall home performance, by providing customers with educating information and two energy audit measures, including an on-line audit and an in-home audit, and other consumer efficiency and education activities. Allegheny Power will contract with Building Performance Institute (“BPI”) certified contractors or consultants or leverage third party programs or providers to provide the in-home audits and install standard measures at the time of the audit. At the completion of the audit, the customer will be presented with home energy efficiency and conservation recommendations, including no-cost or low-cost actions, and information regarding Allegheny Power’s other residential program offerings.

Residential Low Income Home Performance Check-up Audit and Appliance Replacement Program

The Residential Low Income Home Performance Check-up Audit and Appliance Replacement Program provides home energy check-up audits and appliance replacement to low-income customers with household incomes up to 150% of the federal poverty level. The program will be available to ratepayers who own or rent their residence, including customers residing in multi-family buildings and mobile homes. The program will be offered at no cost to qualified low-income customers. Appliances eligible for replacement include refrigerators and room air conditioners that meet certain qualifications or are inefficient as determined by standard test and/or are in disrepair. Allegheny Power will contract with BPI-certified contractors or consultants to provide the audits and install standard measures at the time of the audit.

Residential Low Income Joint Utility Usage Management Program

The Low Income Joint Utility Usage Management Program will initially be a partnership with Columbia Gas, in Pennsylvania, to leverage resources and respective program dollars to provide comprehensive energy saving measures and weatherization services to low-income customers. The program will achieve bill reduction through usage reduction to customers with household incomes up to 200% of the federal poverty level (in excess of current program). The program will be available to ratepayers who own or rent their residence.

Commercial HVAC Efficiency Program

The Commercial HVAC Efficiency Program encourages small commercial and industrial and governmental/non-profit customers to perform maintenance on their existing central air conditioner (CAC) or heat pump (HP) system. To qualify for rebate under this program, the work must be completed by a certified contractor.

Commercial Products Efficiency Program

The Commercial Products Efficiency Program provides rebates for installing T8 fixtures, T5 fixtures, LED Exit Signs, Occupancy Sensors (wall plates controlling interior lighting, Power Strips (controlling lights or appliances) and CFLs. To qualify for rebate under this program the retrofit must achieve required energy savings.

Governmental/Non-Profit Lighting Efficiency Program

The Governmental/Non-Profit Lighting Efficiency Program provides increased incentives to governmental/non-profit customers for installing T8 fixtures, LED Exit Signs, LED Traffic Signals, and CFLs. To qualify for rebate under this program the retrofit must achieve required energy savings.

Custom Technology Applications Program

The Custom Technology Applications Program is focused on reducing energy and demand in the small and large, commercial and industrial, and governmental/non-profit customer sector for customers with usage of 1M-2.5M kWh/year. The program will focus on improving the energy efficiency for specific processes and applications such as lighting systems, compressed air, chillers, refrigeration, variable speed drives, motors, energy management systems and fan/pumps systems. The customer or third party provider will identify the energy efficiency and conservation opportunities and will submit projects to Allegheny Power for review and approval. Allegheny Power will provide incentives to the customer up to 25% of the capital investment, up to \$100,000 of the project, to obtain the energy and demand savings. The program also offers additional incentives to governmental customers sector for customers that perform a whole facility energy audit.

Custom Applications Program

The Custom Applications Program provides energy auditing services and custom incentives for highly specialized processes and applications targeting Allegheny Power's 550 highest-consuming Pennsylvania customers. The Company proposes to use a bidding process to select energy savings projects from large commercial and industrial customers. Allegheny Power will annually issue a request for proposals for energy savings projects of 250,000 kWh/year or greater. Customers will submit their electric energy project proposals, including the amount of the incentive required to complete the project. The Company will review the submittals and pre-qualify customers for this program, by performing a high-level facilities audit to assess the energy project savings potential. For the customers that pre-qualify, Allegheny Power will expend up to \$10,000 per customer for an energy services company to perform a detailed audit of the targeted systems or processes. Allegheny Power will exclude any

measures from the incentive determination that are not cost-effective, test to assure that the project still meets the minimum load reduction criteria, and accept the proposal or counter with a revised incentive amount. This process will be iterative until such time the targeted annual MWh reductions have been contracted and the annual incentive cap has been reached or proposals are withdrawn by either party, whichever occurs first.

Customer Load Response Program

The Customer Load Response Program is focused on reducing kW demand by providing load management services to small and large commercial and industrial, and governmental/non-profit customers. Under this program, Allegheny Power will act as a "Curtailement Service Provider" and call events to meet a portion of the demand reduction requirements. In addition, Allegheny Power would also act as a Curtailement Service Provider with PJM Interconnection, L.L.C. ("PJM"), to leverage and enroll customers' load curtailement into PJM's capacity markets during peak load hours.

Customer Resources Demand Response Program

The Customer Resources Demand Response Program is focused on reducing kW demand by deploying customer load and generation resources. Under this program, Allegheny Power would contract with PJM curtailement service providers for load and generation resources. The PJM curtailement service providers would dispatch the customer resources to meet a portion of the demand reduction requirements during peak load hours.

Distributed Generation Program

The Distributed Generation Program is focused on reducing kW demand by deploying customer-owned standby generation. Under this program, Allegheny Power would contract with a third party dispatch able generation provider that would operate, maintain and dispatch a customer's standby generator. Based on typical operating scenarios, standby generators are typically used less than 500 hours per year, with 100 of those hours being used for demand response events, with the remaining hours being used by the customer for planned maintenance and/or unplanned outages. In addition, Allegheny will explore the use of alternative fuels such as bio-diesel, or waste methane/landfill gas for these generators. Allegheny will ensure all permitting requirements are adhered to for generators contracted under this program.

Critical Peak Rebate (CPR) Rate

The Critical Peak Rebate (CPR) Rate encourages residential customers to lower their demand and energy consumption during on-peak periods by providing a rebate based on their demand reduction during peak load hours. CPR could be competitively neutral to allow customers to continue to pay the same generation charge as on utility-provided default service or from an electric generation supplier. CPR relies on the installation of a Smart Meter to track the customer's demand during peak hours. Participants will receive additional information to assist them in controlling their demand and their electric bills.

Time of Use (TOU) with Critical Peak Pricing Rate

TOU rates reflect the cost of serving customers during different time periods, but do not change as frequently as hourly. TOU encourages commercial, industrial, government, school, and non-profit customers under 500 kW to lower their demand and energy consumption during on-peak periods by charging a higher price that reflects the higher cost of serving customers, and charging lower prices during off-peak periods that reflects the lower cost of serving customers. TOU also includes critical peak pricing which is designed to address the short-term need to reduce demand at the time of the system peak by charging prices significantly higher than other periods. Critical peak pricing periods will vary in frequency and duration using predefined or notified peak hours, but will balance the need to keep the period as short as possible to effectively allow customers to reduce demand or shift usage to lower cost periods. TOU is voluntary and is only available to customers that are receiving utility-provided default service. TOU relies on the installation of a Smart Meter to track the customer's demand and energy usage during the various TOU periods.

TOU is offered as an optional service and does not replace the default service program approved by Commission Order entered July 25, 2008 at Docket No. P-00072342.

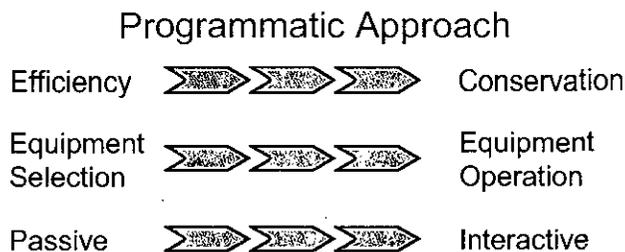
Overview of Plan -- Conclusion

Allegheny Power's overall Plan is cost effective as required by the Pennsylvania-specific TRC test as set forth by the Commission in its order of June 23, 2009. Table I in Section 1.3 of the EE&C Plan shows that the overall Plan as well as the portfolio of programs and measures specific to each customer sector are cost effective. In addition, most programs and measures in the plan have been determined to be cost effective, as illustrated in Table 7 in the Appendices of the EE&C Plan. This Table also depicts the net present value and cost/benefit analysis results required by the Commission. Allegheny Power has focused on choosing and incorporating in its programs those measures that resulted in a TRC test of greater than 1.0. While a few measures were determined to be cost neutral or not cost effective, they were included to determine if real-world performance proves otherwise. Allegheny Power also plans to evaluate all measures upon each annual review and to revise its plan based on actual performance. This maximizes cost-effectiveness of the programs, as it does not dilute the benefits of the most cost-effective measures with those that are not cost-effective.

Allegheny Power strongly believes its approach to EE&C and DR programs and measures maximizes potential energy savings. The Company's portfolio of measures and programs addresses each major energy consuming appliance, system or process across the full spectrum of both customers' usage and customer segments. A key element in the design of the Company's proposed programs is to provide incentives to customers that elect to install more efficient end-use devices. Changing how customers use energy is the ultimate objective. A logical progression in changing customer behavior is first a focus on the deployment of more efficient equipment. Then, over time, the focus shifts to the manner in which equipment or appliances are operated.

A crucial tool in effecting customer change in behavior is providing customers with information on how they use energy in conjunction with energy prices. Allegheny Power's EE&C and DR Plan relies in part on the availability of Smart Meters to begin to provide customers an understanding of their energy use.

The figure below illustrates Allegheny Power's programmatic approach to driving customer behavior changes. Please note that the continuum moves from passive customer participation to interactive customer participation, while the program offerings move from targeting equipment efficiency to targeting more efficient appliance and equipment operation.



Despite the many demonstrable benefits of customer participation in beneficial EE&C and DR behaviors, Allegheny Power believes, however, that incentive programs are a logical and necessary first step to initiate market transformation and progress towards meeting the mandated reductions under Act 129. Once vendors increase their stock of high-efficiency appliances, or no longer stock standard efficiency appliances (which is reported to have resulted from rebate programs in California), and customers more consistently choose high-efficiency appliances, rebates may be reduced, reallocated to new initiatives such as those encouraging customer behaviors, or eliminated.

Finally, the proliferation of Smart Meter and Smart Grid technology in the future will result in lower costs for the infrastructure, and the market transformation may be completed with the deployment of highly interactive interfaces in customer homes and businesses, that deliver detailed information on individual appliance usage and cost, and real-time pricing information, the extent of which is limited only by budget and imagination.

To catalyze market transformation and meet EE&C and DR targets mandated by Act 129, Allegheny Power is proposing several EE&C and DR programs and rate offerings that require or rely on the installation of Smart Meters. The proposed programs that rely on Smart Meters or a portion thereof are:

1. Customer Load Response
2. Customer Resources Demand Response Program
3. Distributed Generation Program

The rate offerings that rely on Smart Meters or a portion thereof include:

1. Critical Peak Rebate (CPR)
2. Time of Use (TOU) with Critical Peak Pricing

The Company plans to file these rate options by the end of 2010 for an effective date in mid-2011.

Through thoughtful program design, Allegheny Power has addressed the main energy consuming appliances, systems and processes impacting EE&C and DR across all customer segments. The Company strongly believes that this group of programs are most likely to achieve the greatest energy consumption savings, demand reductions, and create the most economic, societal and environmental benefits.

Allegheny Power urges the Commission to approve timely cost recovery and other financial incentives for utilities like Allegheny Power that are willing to make significant investments in energy efficiency, energy conservation and demand response. This timely and full cost recovery and incentive is essential until such time that real-time, transparent market signals provided via cost-effective communications infrastructure can appropriately motivate this investment not just for the Company but for utilities across the Commonwealth.

1.2. Summary description of process used to develop the EE&C plan and key assumptions used in preparing the plan.

Allegheny Power completed program design with input received from various stakeholders and the output of these collaborative efforts is incorporated in this Plan. Allegheny Power held fifteen formal stakeholder or working group meetings throughout the program development and revision process to solicit stakeholder input and feedback regarding the development and revision of the Company's Act 129 Plan. The stakeholder process also included numerous informal meetings and discussions that provided the Company with valuable input on the proposed programs and program revisions. The Company looks forward to continuing collaborative efforts to ensure the success of EE&C and DR plan implementation.

Stakeholder Meeting Summary:

- April 8, 2009 – Harrisburg (All interested stakeholders)
- April 23, 2009 – Greensburg (Municipalities)
- May 5, 2009 – Uniontown (Low-Income)
- May 7, 2009 – Butler (Low-Income)
- May 11, 2009 – Harrisburg (Rates)
- May 12 & 13, 2009 – Latrobe, Chamber Fest (residential, low income, and small business customer survey conducted)
- May 13, 2009 – Greensburg (Government)

- June 3, 2009 – Harrisburg (All)
- June 5, 2009 – Williamsport (Seda-Cog)
- June 10, 2009 – Greensburg (Government)
- November 12, 2009 – Connellsville (All)
- November 18, 2009 – Connellsville (All)
- March 19, 2010 – Greensburg (Demand Response)
- June 10, 2010 – Harrisburg (parties to the EE&C and DR Plan)
- August 5, 2010 – Harrisburg (All)

Allegheny Power has designed its EE&C and DR programs to control and moderate utility program costs and, thereby, limiting costs to customers. Allegheny Power has also sought to limit program development and implementation costs first by performing initial program design and evaluation internally with stakeholder input. Since that time all retained expert resources were procured through competitive bid.

Allegheny Power does not currently have any studies specific to expected participation rates for energy efficiency and conservation and demand response initiatives within its Pennsylvania service territory. For purposes of cost-effective evaluations, a conservative estimation approach to participation rates and energy savings was used to ensure a greater likelihood that the measure or program will remain cost effective throughout its lifecycle. In the case of residential measures, Allegheny Power looked to its 2009 Residential Appliance Saturation Survey to determine the potential pool of participants. With respect to commercial and industrial measures, the Company relied on information from sources such as the Energy Information Administration and the results of pilot studies conducted by other utilities across North America. Within the estimation regime, data was gathered as to incentive levels, program duration, and customer participation. Participation rates were selected somewhat qualitatively from looking at the potential pool of participants, their similarity to the participants of other utilities and the actual take up and participation rates achieved.

Allegheny Power has undertaken benchmarking studies in an effort to ensure the reasonableness and viability of its program proposals. In doing so, numerous utilities (and sometimes their contractors) and end-users were contacted to ascertain the parameters of the programs offered and the relative success of those program offerings. Benchmarking was used to validate and refine assumptions, and the Company generally found that the benchmarking data gathered was convergent. In those instances where outlying data appeared, Allegheny looked further into the cause of those results to determine if the Company's service territory might have similar characteristics and other correlating factors. Such observation permitted general validation of the assumptions regarding participation levels (both take up and steady state), participation costs and savings estimates from sources such as the EPA, DOE, Northeast Efficiency Partnership ("NEEP"), American Council for an Energy-Efficient Economy ("ACEEE") and the Consortium of Energy Efficiency ("CEE").

Allegheny Power reviewed ACEEE exemplary programs and other utility programs identified through internal benchmarking to determine its incentive strategy. The general approach to setting incentive levels for measures, other than those in the custom programs, was to provide an incentive between 25% to 75% of the incremental cost of the high-efficiency device, with 50% being the target, as compared to the standard efficiency device.

1.3. Summary tables of portfolio savings goals, budget and cost-effectiveness³

Allegheny Power proposes to implement energy efficiency programs that are designed to serve the unique needs of its residential, residential low-income and commercial and industrial customers as well as federal, state and local governments, including municipalities, school districts, institutions of higher education and nonprofit entities. Allegheny Power's Plan comports with the requirements of Act 129. Allegheny Power has developed its plan to meet the 2011 and 2013 energy and demand reductions mandated by Act 129. The following table summarizes the programs and their primary targeted customer sector as well as eligibility across customer sectors.

Program Name	EEC	DR	Residential	Residential - Low Income	Small Commercial/Industrial	Large Commercial/Industrial	Governmental/Non-Profit
1 Residential Energy Star & High Efficiency Appliance Program	X		■	■			
2 Compact Fluorescent Lighting (CFL) Rewards Program	X		■	■			
3 Residential Whole Home Appliance Efficiency Program	X		■	■			
4 Residential Home Performance Program	X		■	■			
5 Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	X			■			
6 Residential Low Income Joint Utility Usage Management Program	X			■			
7 Critical Peak Rebate (CPR) Rate		X	■	■			
8 Commercial HVAC Efficiency Program	X				■	■	■
9 Commercial Products Efficiency Program	X				■	■	■
10 Governmental/Non-Profit Lighting Efficiency Program	X						■
11 Custom Technology Applications Program	X				■	■	■
12 Custom Applications Program	X				■	■	■
13 Customer Load Response Program		X			■	■	■
14 Customer Resources Demand Response Program		X			■	■	■
15 Distributed Generation Program		X			■	■	■
16 Time of Use (TOU) Rate with Critical Peak Pricing Rate	X	X			■	■	■

Key	
■	Primary Customer Target (Savings & Demand Impacts)
■	Potential Eligible Customers (No Impacts)

These programs are projected to provide a total peak electricity demand reduction of 158.3 MW by June 1, 2012 and at the conclusion of four years, these programs are projected to achieve a total annual electric energy reduction of 640.7 million kWh. Should the Commission approve

³ All Plan Years in summary tables run from June 1st of Plan Year in Table through May 31st of the following year. It is assumed that there are four program years, each starting June 1 and ending May 31st. The first program year (PY) is Program Year 2009 (although it is expected that programs will not start before late 2009 or early 2010), and the last program year is Program Year 2012.

each of the programs recommended by Allegheny Power at the proposed rebate levels and the projected penetration rates are achieved, the annual cost of the programs is estimated to be \$11.5 million for year one, \$24.3 million for year two, \$28.2 million for year 3 and \$30.2 million for year four. The total cost over a four year period is expected to be approximately \$94.25 million, including program start-up expense that includes internal labor related expense, contractor support and tracking database or other IT requirements for a total start-up expense of \$5.3 million. Energy and demand savings, funding levels and cost-effectiveness projections for the programs are as follows:

Table 1: Portfolio Summary of Lifetime Costs and Benefits

Notes:

o Net Lifetime Benefits, and TRC per the California Standard Practice Manual

Portfolio	Discount Rate	Total Discounted Lifetime Costs (\$000)	Total Discounted Lifetime Benefits (\$000)	Total Discounted Net Lifetime Benefits (\$000)	Cost-Benefit Ratio	TRC[1]
Residential (exclusive of Low Income)	0.09017	\$37,985	\$78,836	\$40,851	2.1	\$40,851
Residential Low-Income	0.09017	\$6,781	\$7,084	\$303	1.0	\$303
Commercial/Industrial Small	0.09017	\$53,583	\$306,049	\$252,465	5.7	\$252,465
Commercial/Industrial Large	0.09017	\$7,724	\$42,517	\$34,794	5.5	\$34,794
Governmental/Non-Profit	0.09017	\$7,376	\$71,061	\$63,686	9.6	\$63,686
Total	0.09017	\$113,448	\$505,548	\$392,099	4.5	\$392,099

Table 2: Summary of Portfolio Energy and Demand Savings

o Program Year is June 1 – May 31

MWh Saved for Consumption Reductions kW Saved for Peak Load Reductions	Program Year 2009		Program Year 2010		Program Year 2011		Program Year 2012	
	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved
Baseline ¹	20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000
Residential Sector (exclusive of Low-Income) - Cumulative Projected Portfolio Savings ²	4,018	610	55,882	6,825	131,978	21,502	201,038	33,242
Residential Low-Income Sector - Cumulative Projected Portfolio Savings ²	754	156	6,485	1,429	10,790	2,295	15,019	3,137
Commercial/Industrial Small Sector - Cumulative Projected Portfolio Savings ²	5,973	1,176	76,777	15,657	182,095	42,111	284,524	66,349
Commercial/Industrial Large Sector - Cumulative Net Weather Adjusted Savings ²			30,885	5,822	62,713	79,645	81,061	82,561
Governmental/Non-Profit Sector - Cumulative Projected Portfolio Savings ²	2,195	548	46,496	11,022	55,875	12,768	59,091	13,486
EE&C Plan Total - Cumulative Projected Savings	12,940	2,490	216,525	40,754	443,452	158,321	640,732	198,776
Percent Reduction From Baseline	0.1%	0.1%	1.0%	1.2%	2.1%	4.5%	3.1%	5.7%
Commission Identified Goal			209,387				628,160	157,320
Percent Savings Due to Portfolio Above or Below Commission Goal			103.4%				102.0%	100.6%

¹ Commission approved Consumption Forecast and Peak Demand Forecast per Section H of the January 15 Implementation Order. (Template Section 10A & 10B)² Adjusted for weather and extraordinary load as applicable.

Percent Savings Due to Portfolio Above or Below Commission Goal for Demand Reduction Target result of 100.6% is calculated based on results at end of 2011 Plan Year (as of May 2012). See Table 2 (Program Level) in Appendix F.3 for the projections of the energy savings and demand reductions by program year by program, including projections with and without the installation of Smart Meters. The Company utilized the load ratio of the primary target customers with and without existing interval metering in arriving at the projections for each program.

Table 3: Summary of Portfolio Costs

o Program year is June 1 – May 31

	Program Year 2009		Program Year 2010		Program Year 2011		Program Year 2012	
	Portfolio Budget	% of Portfolio Budget						
Residential Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$4,395,221	38%	\$7,956,544	33%	\$10,907,426	39%	\$10,863,172	36%
Residential Low-Income Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$863,140	8%	\$4,448,924	18%	\$3,094,332	11%	\$3,818,525	13%
Commercial/Industrial Small Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$3,566,415	31%	\$6,045,921	25%	\$8,141,338	29%	\$7,916,916	26%
Commercial/Industrial Large Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$1,980,060	17%	\$3,376,527	14%	\$4,876,903	17%	\$6,937,324	23%
Governmental/Non-Profit Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$700,215	6%	\$2,482,028	10%	\$1,176,062	4%	\$702,999	2%
Total Portfolio Annual Budget	\$11,505,050	100%	\$24,309,944	100%	\$28,196,061	100%	\$30,238,936	100%

1.4. Summary of program implementation schedule over four year plan period (see Chart 1 Notes).

The chart below summarizes the Plan Schedule. The customer sector charts are located at the end of the Appendix.

Allegheny Power EE&C and DR Plan Implementation Schedule Summary
 - This chart assumes November 2009 Plan approval.
 - Dates indicated in chart are end dates. Refer to Customer Sector Charts for Start and Complete details.

Key Activities and Milestones	Pre-Plan		Plan Year - 2009				Plan Year - 2010				Plan Year - 2011				Plan Year - 2012				Post Plan			
	'09 Qtr 1	'09 Qtr 2	'09 Qtr 3	'09 Qtr 4	'10 Qtr 1	'10 Qtr 2	'10 Qtr 3	'10 Qtr 4	'11 Qtr 1	'11 Qtr 2	'11 Qtr 3	'11 Qtr 4	'12 Qtr 1	'12 Qtr 2	'12 Qtr 3	'12 Qtr 4	'13 Qtr 1	'13 Qtr 2	'13 Qtr 3	'13 Qtr 4		
Portfolio Design and Annual Evaluation	Design						Annual Evaluation Mar					Annual Evaluation Mar					Annual Evaluation Mar					Plan-end Evaluation Mar
Contracts for Implementation Service Vendors		Jun-09				Jun-10																
Contract for EM&V Services Vendors				Dec-10																		
EE&C and DR Plan Surcharge Communication				Oct-09																		
Surcharge Implementation				Nov-09																		
All Residential Programs					Launch Jan-10																Close May-13	
All Commercial/Industrial Small Programs					Launch Jan-10																Close May-13	
All Commercial/Industrial Large Programs					Launch Jan-10																Close May-13	
All Government/ non-Profit Programs					Launch Jan-10																Close May-13	
DR Rate Offerings									Launch Jan-11												Close May-13	
PUC Annual and Plan-end Reporting													Jul-15-11			Jul-15-12					Jul-15-13	

1.5. Summary description of the EDC implementation strategy to manage EE&C portfolios and engage customers and trade allies.

Allegheny Power will hire Plan Implementation Providers to administer various components of the Residential programs, Residential Low Income programs, and non-Residential programs. In addition, the Company will contract for some specific services, leveraging contracts for Maryland EE&C Plan Programs where applicable. Allegheny anticipates that some contracts will be performance-based to promote goal achievement. Plan Implementers will be responsible for plan implementation including but not limited to: hiring sub-contractors required for successful program implementation; quality; engaging trade allies; marketing, including customer engagement; reporting on identified metrics including presenting to stakeholder groups as requested; coordinating with contractors hired directly by Allegheny Power for specific services; customer issue handling; and, early identification of program success risks as well as best practices and recommendations to mitigate or leverage.

Allegheny Power plans to meet as required and at least twice per year with stakeholders to review Plan implementation and program details and to consider Plan or program revisions to improve the Plan or programs. Allegheny Power will work for consensus of the stakeholders and propose consensus positions to the Commission, or alternative recommendations if consensus is not achieved.

1.6. Summary description of EDCs data management, quality assurance and evaluation processes; include how EE&C plan, portfolios, and programs will be updated and refined based on evaluation results.

Allegheny Power will comply with data management requirements developed by the statewide Plan Evaluator

Allegheny Power will build quality control checks into each program and measure as well at key customer touch points. This will include customer surveys; requirements for rebate processors to verify rebate applications; and in field verification of HVAC, lighting, home audits, and custom applications.

A third-party contractor will be hired to provide program and overall plan evaluation, measurement, and verification.

A support team responsible for program implementation and EM&V will work closely with the program development group to analyze program results. Once enough data and experience exists to determine with confidence program effectiveness based on results identified changes, enhancements, adjustments, and/or cancellations of programs and measures will be implemented.

1.7. Summary description of cost recovery mechanism.

For non-residential customers, Allegheny Power proposes to recover all EE&C program costs via a separately stated non-bypass able line-item bill surcharge entitled EE&C Surcharge. For residential customers, EE&C program costs are recovered as an addition to the currently approved distribution rates. Following the appendices is a pro-forma tariff for Tariff No. 39 and Tariff No. 37 describing the proposed surcharge, which is provided in accordance with 66 Pa. C.S. §§ 1307 and 2806.1. Allegheny Power respectfully requests Commission approval to begin surcharge recovery effective on one day's notice on the portions of the plan the Commission has approved.

The EE&C Surcharge is designed on a levelized basis over the 43-month period beginning November 2009 and running through May 31, 2013, as adjusted for actual surcharge revenues already billed and forecasted revenues to be billed for the remainder of 2010. Subject to the annual reconciliation mechanism described below, the implementation of a levelized surcharge helps mitigate the peaks and valleys that may otherwise occur if the surcharge had not been designed on a levelized basis.

Allegheny Power 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 costs levelized through May 2013 based upon actual costs incurred through February and any revised estimates for future months, up to the amount permitted to be recovered under Act 129; and (4) the subsequent reconciliation effect to the 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. A final reconciliation of amounts to be collected or refunded

after May 31, 2013, through a further surcharge, should be authorized by the Commission. The purpose of this annual reconciliation mechanism is to mitigate the magnitude of the reconciliation balance. Commission approval of this annual reconciliation mechanism to ensure dollar for dollar recovery of all prudently incurred costs through May 31, 2013, with a projected aggregated cost of \$94.25 million, will allow the Company to utilize regulatory accounting to properly match surcharge revenue with the program costs. Allegheny Power is requesting authorization for regulatory accounting to track on a dollar for dollar basis the amounts to be recovered on a deferred basis for any under-collections, or refunded on a deferred basis any over-collections, that may occur throughout the lifespan of the surcharge, which can arise because of the levelized nature of the surcharge.

2. Energy Efficiency Portfolio/Program Summary Tables and Charts

2.1. Residential, Commercial/Industrial Small, Commercial/Industrial Large and Governmental/Non-profit Portfolio Summaries (see Table 4).

Table 4: Program Summaries.

	Program Name	Program Market	Program Two Sentence Summary	Program Years Operated	Net Lifetime MWh Savings	Net Peak Demand kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%	
Residential Portfolio Programs (exclusive of Low Income)	Compact Fluorescent Lighting (CFL) Rewards Program	All residential customers	A rebate program that encourages the purchase of single and multipack CFL's. Mail-in rebates and point-of-sale discounts (where applicable) will be offered.	4	441,268	4,781	31%	6%
	Critical Peak Rebate (CFR) Rate	All residential customers with Smart Meters.	A rebate rate offering that encourages residential customers to lower their energy demand during peak load hours by offering a rebate based on their actual energy demand.	2	1,222	7,347	0%	0%
	Residential Energy Star and High Efficiency Appliance Program	All residential customers	A rebate program that encourages the purchase of certain appliances that meet or exceed Energy Star or other efficiency ratings, through mail-in rebates and point-of-sale discounts (where applicable).	4	578,715	12,672	41%	8%
	Residential Home Performance Program	Single family or multifamily residential dwelling units.	A program that educates customers on EE&C and improves overall home performance by providing the installation of standard EE&C measures and promoting additional EE&C measures. Includes two home energy audit options and additional consumer efficiency initiatives.	4	223,526	4,424	16%	3%
	Residential Whole Home Appliance Efficiency Program	All residential customers with central air conditioners, heat pumps or electric water heaters.	A rebate program that encourages customers to perform maintenance on their existing central HVAC system and/or the installation of Energy Star Domestic Hot Water storage type units. Mail-in rebates will be offered for maintenance of central air conditioners or heat pumps and/or the replacement of an older resistive electric hot water storage type unit with an Energy Star rated unit.	4	156,986	4,018	11%	2%
Totals for Residential Sector					1,401,717	33,242	100%	20%
Residential Low-Income Sector Programs	Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	Residential customers up to 150% of the federal poverty level.	A program that educates customers on EE&C and improves overall home performance by providing the installation of EE&C measures. Includes replacement of refrigerators and room air conditioners that meet certain qualifications.	4	26,652	1,262	22%	0%
	Residential Low Income Joint Utility Usage Management Program	Residential customers up to 200% of the federal poverty level.	A program that leverages resources and funding to provide comprehensive energy saving measures and weatherization services to low income customers through partnership with gas utilities.	4	95,196	1,876	78%	1%
Totals for Low-Income Sector					121,848	3,137	100%	2%
Governmental/Non-Profit Portfolio Programs	Governmental/Non-Profit Lighting Efficiency Program	All government, school and non-profit customers with lighting.	A rebate program that encourages customers to upgrade lighting systems to more efficiency lighting technologies. Mail-in rebates, product distribution and/or product buy-downs will be offered for certain lighting replacements or installations including CFL's, T8, LED Exit Signs and LED Traffic Signals.	4	591,611	13,486	100%	8%
Totals for Gov'UNP Sector Programs					591,611	13,486	100%	8%

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	Program Name	Program Market	Program Two Sentence Summary	Program Years Operated	Net Lifetime MWh Savings	Net Peak Demand kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%	
Commercial/ Industrial Small Portfolio Programs	Commercial HVAC Efficiency Program	Small commercial and industrial and governmental/non-profit customers with central air conditioners or heat pumps.	A rebate program that encourages customers to perform maintenance on their existing central HVAC system. Rebates will be offered for maintenance of central air conditioners or heat pump systems.	4	25,655	3,834	1%	0%
	Commercial Products Efficiency Program	Small and large commercial and industrial and governmental/non-profit customers.	A rebate program that encourages customers to upgrade lighting systems or commercial products to more efficiency technologies. A rebate will be offered for certain replacements or installations including T8 lighting, T5 lighting, CFLs, LED Exit Sign, Occupancy Sensors and Smart Strips.	4	3,600,585	51,591	92%	50%
	Custom Technology Applications Program	Small and large commercial and industrial customers and governmental/non-profit customers.	An incentive program that encourages energy and demand reductions by providing incentives for qualified projects that improve energy efficiency of customer processes and applications. Government customers who have a preliminary audit completed will receive an additional incentive.	3	298,645	3,479	8%	4%
	Time of Use (TOU) with Critical Peak Pricing Rate	Small commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A rate offering that encourages customers to lower their demand and energy consumption during on-peak and peak load periods by charging a higher price during these periods and a lower price during off-peak periods, that reflects the cost of serving customers during these periods.	2	6,579	7,445	0%	0%
Totals for C/I Small Sector					3,931,464	66,349	100%	55%
Commercial/ Industrial Large Portfolio Programs	Custom Applications Program	Large commercial and industrial customers with at least 2,500,000 kWh's energy usage per year.	An incentive program that encourages energy and demand reductions by providing incentives for qualified projects that improve energy efficiency of customer processes and applications.	3	1,113,910	14,561	99%	16%
	Customer Load Response Program	Small and large commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A program that provides demand response with participating customers by contracting with customers for load reduction during peak load hours. Customers will receive payment for their participation in Company demand response events.	2	3,150	21,000	0%	0%
	Customer Resources Demand Response Program	Small and large commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A program that provides demand response with participating customers by deploying customer load during peak load hours. The Company will contract with PJM curtailment service providers for load resources for participation in Company demand response events.	2	7,250	40,000	1%	0%
	Distributed Generation Program	Small and large commercial and industrial customers and governmental/non-profit customers, with stand-by generation resources.	A program that provides demand response with participating customers by deploying customer-owned standby generation during peak load hours. The Company will contract with third party dispatchable generation provider(s) to operate, maintain and dispatch a customer's standby generator.	2	1,050	7,000	0%	0%
Totals for C/I Large Sector					1,125,360	82,561	100%	16%
Total for Plan					7,172,000	198,776		100%

2.2. Plan data: Costs, Cost-effectiveness and Savings by program, sector and portfolio (see Tables 1-4).

Table 1: Portfolio Summary of Lifetime Costs and Benefits

Notes:

o Net Lifetime Benefits, and TRC per the California Standard Practice Manual

Portfolio	Discount Rate	Total Discounted Lifetime Costs (\$000)	Total Discounted Lifetime Benefits (\$000)	Total Discounted Net Lifetime Benefits (\$000)	Cost-Benefit Ratio	TRC[1]
Residential (exclusive of Low Income)	0.09017	\$37,985	\$78,836	\$40,851	2.1	\$40,851
Residential Low-Income	0.09017	\$6,781	\$7,084	\$303	1.0	\$303
Commercial/Industrial Small	0.09017	\$53,583	\$306,049	\$252,465	5.7	\$252,465
Commercial/Industrial Large	0.09017	\$7,724	\$42,517	\$34,794	5.5	\$34,794
Governmental/Non-Profit	0.09017	\$7,376	\$71,061	\$63,686	9.6	\$63,686
Total	0.09017	\$113,448	\$505,548	\$392,099	4.5	\$392,099

Table 2: Summary of Portfolio Energy and Demand Savings
 o Program Year is June 1 – May 31

MWh Saved for Consumption Reductions kW Saved for Peak Load Reductions	Program Year 2009		Program Year 2010		Program Year 2011		Program Year 2012		
	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved	
Baseline ¹	20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000	
Residential Sector (exclusive of Low-Income) - Cumulative Projected Portfolio Savings ²	4,018	610	55,882	6,825	131,978	21,502	201,038	33,242	
Residential Low-Income Sector - Cumulative Projected Portfolio Savings ²	754	156	6,485	1,429	10,790	2,295	15,019	3,137	
Commercial/Industrial Small Sector - Cumulative Projected Portfolio Savings ²	5,973	1,176	76,777	15,657	182,095	42,111	284,524	66,349	
Commercial/Industrial Large Sector - Cumulative Net Weather Adjusted Savings ²	-	-	30,885	5,822	62,713	79,645	81,061	82,561	
Governmental/Non-Profit Sector - Cumulative Projected Portfolio Savings ²	2,195	548	46,496	11,022	55,875	12,768	59,091	13,486	
EE&C Plan Total - Cumulative Projected Savings	12,940	2,490	216,525	40,754	443,452	158,321	640,732	198,776	
Percent Reduction From Baseline	0.1%	0.1%	1.0%	1.2%	2.1%	4.5%	3.1%	5.7%	
Commission Identified Goal			209,387					628,160	157,320
Percent Savings Due to Portfolio Above or Below Commission Goal			103.4%					102.0%	100.6%

¹ Commission approved Consumption Forecast and Peak Demand Forecast per Section H of the January 15 Implementation Order. (Template Section 10A & 10B)

² Adjusted for weather and extraordinary load as applicable.

Percent Savings Due to Portfolio Above or Below Commission Goal for Demand Reduction Target result of 100.6% is calculated based on results at end of 2011 Plan Year (as of May 2012). See Table 2 (Program Level) in Appendix F.3 for the projections of the energy savings and demand reductions by program year by program, including projections with and without the installation of Smart Meters. The Company utilized the load ratio of the primary target customers with and without existing interval metering in arriving at the projections for each program.

Table 3: Summary of Portfolio Costs

o Program year is June 1 – May 31

	Program Year 2009		Program Year 2010		Program Year 2011		Program Year 2012	
	Portfolio Budget	% of Portfolio Budget						
Residential Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$4,395,221	38%	\$7,956,544	33%	\$10,907,426	39%	\$10,863,172	36%
Residential Low-income Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$863,140	8%	\$4,448,924	18%	\$3,094,332	11%	\$3,818,525	13%
Commercial/Industrial Small Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$3,566,415	31%	\$6,045,921	25%	\$8,141,338	29%	\$7,916,916	26%
Commercial/Industrial Large Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$1,980,060	17%	\$3,376,527	14%	\$4,876,903	17%	\$6,937,324	23%
Governmental/Non-Profit Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$700,215	6%	\$2,482,028	10%	\$1,176,062	4%	\$702,999	2%
Total Portfolio Annual Budget	\$11,505,050	100%	\$24,309,944	100%	\$28,196,061	100%	\$30,238,936	100%

Table 4: Program Summaries

	Program Name	Program Market	Program Two Sentence Summary	Program Years Operated	Net Lifetime MWh Savings	Net Peak Demand kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%	
Residential Portfolio Programs (exclusive of Low Income)	Compact Fluorescent Lighting (CFL) Rewards Program	All residential customers	A rebate program that encourages the purchase of single and multipack CFL's. Mail-in rebates and point-of-sale discounts (where applicable) will be offered.	4	441,268	4,781	31%	6%
	Critical Peak Rebate (CPR) Rate	All residential customers with Smart Meters.	A rebate rate offering that encourages residential customers to lower their energy demand during peak load hours by offering a rebate based on their actual energy demand.	2	1,222	7,347	0%	0%
	Residential Energy Star and High Efficiency Appliance Program	All residential customers	A rebate program that encourages the purchase of certain appliances that meet or exceed Energy Star or other efficiency ratings, through mail-in rebates and point-of-sale discounts (where applicable).	4	578,715	12,672	41%	8%
	Residential Home Performance Program	Single family or multifamily residential dwelling units.	A program that educates customers on EE&C and improves overall home performance by providing the installation of standard EE&C measures and promoting additional EE&C measures. Includes two home energy audit options and additional consumer efficiency initiatives.	4	223,526	4,424	16%	3%
	Residential Whole Home Appliance Efficiency Program	All residential customers with central air conditioners, heat pumps or electric water heaters.	A rebate program that encourages customers to perform maintenance on their existing central HVAC system and/or the installation of Energy Star Domestic Hot Water storage type units. Mail-in rebates will be offered for maintenance of central air conditioners or heat pumps and/or the replacement of an older resistive electric hot water storage type unit with an Energy Star rated unit.	4	156,986	4,018	11%	2%
Totals for Residential Sector					1,401,717	33,242	100%	20%
Residential Low-Income Sector Programs	Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	Residential customers up to 150% of the federal poverty level.	A program that educates customers on EE&C and improves overall home performance by providing the installation of EE&C measures. Includes replacement of refrigerators and room air conditioners that meet certain qualifications.	4	26,652	1,262	22%	0%
	Residential Low Income Joint Utility Usage Management Program	Residential customers up to 200% of the federal poverty level.	A program that leverages resources and funding to provide comprehensive energy saving measures and weatherization services to low income customers through partnership with gas utilities.	4	95,196	1,876	78%	1%
Totals for Low-Income Sector					121,848	3,137	100%	2%
Governmental/ Non-Profit Portfolio Programs	Governmental/Non-Profit Lighting Efficiency Program	All government, school and non-profit customers with lighting.	A rebate program that encourages customers to upgrade lighting systems to more efficiency lighting technologies. Mail-in rebates, product distribution and/or product buy-downs will be offered for certain lighting replacements or installations including CFL's, T8, LED Exit Signs and LED Traffic Signals.	4	591,611	13,486	100%	8%
Totals for Gov'NPN Sector Programs					591,611	13,486	100%	8%

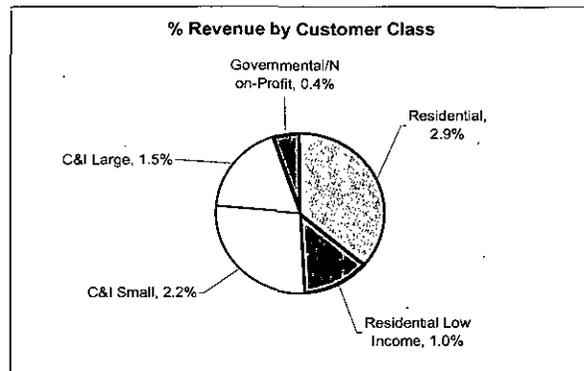
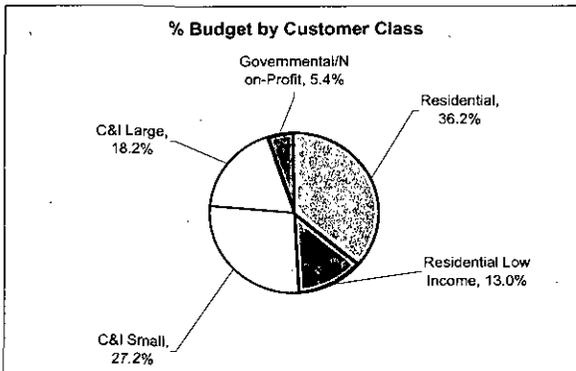
	Program Name	Program Market	Program Two Sentence Summary	Program Years Operated	Net Lifetime MWh Savings	Net Peak Demand kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%	
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	Commercial Products Efficiency Program	Small and large commercial and industrial and governmental/non-profit customers.	A rebate program that encourages customers to upgrade lighting systems or commercial products to more efficiency technologies. A rebate will be offered for certain replacements or installations including T8 lighting, T5 lighting, CFL's, LED Exit Sign, Occupancy Sensors and Smart Strips.	4	3,600,585	51,591	92%	50%
	Custom Technology Applications Program	Small and large commercial and industrial customers and governmental/non-profit customers.	An incentive program that encourages energy and demand reductions by providing incentives for qualified projects that improve energy efficiency of customer processes and applications. Government customers who have a preliminary audit completed will receive an additional incentive.	3	298,645	3,479	8%	4%
	Time of Use (TOU) with Critical Peak Pricing Rate	Small commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A rate offering that encourages customers to lower their demand and energy consumption during on-peak and peak load periods by charging a higher price during these periods and a lower price during off-peak periods, that reflects the cost of serving customers during these periods.	2	6,579	7,445	0%	0%
Totals for C/I Small Sector					3,931,464	66,349	100%	55%
Commercial/ Industrial Large Portfolio Programs	Custom Applications Program	Large commercial and industrial customers with at least 2,500,000 kWh's energy usage per year.	An incentive program that encourages energy and demand reductions by providing incentives for qualified projects that improve energy efficiency of customer processes and applications.	3	1,113,910	14,561	99%	16%
	Customer Load Response Program	Small and large commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A program that provides demand response with participating customers by contracting with customers for load reduction during peak load hours. Customers will receive payment for their participation in Company demand response events.	2	3,150	21,000	0%	0%
	Customer Resources Demand Response Program	Small and large commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A program that provides demand response with participating customers by deploying customer load during peak load hours. The Company will contract with PJM curtailment service providers for load resources for participation in Company demand response events.	2	7,250	40,000	1%	0%
	Distributed Generation Program	Small and large commercial and industrial customers and governmental/non-profit customers, with stand-by generation resources.	A program that provides demand response with participating customers by deploying customer-owned standby generation during peak load hours. The Company will contract with third party dispatchable generation provider(s) to operate, maintain and dispatch a customer's standby generator.	2	1,050	7,000	0%	0%
Totals for C/I Large Sector					1,125,360	82,561	100%	16%
Total for Plan					7,172,000	198,776		100%

2.3. Budget and Parity Analysis – (see Table 5)

Table 5: Budget and Parity Analysis Summary

o Through program year 2012

Customer Class	Budget	% of Total EDC Budget	% of Total Budget Excluding Other Expenditures	% of Total Customer Revenue	Difference
Residential	\$34,122,362	36%	36%	2.9%	33.3%
Residential Low Income	\$12,224,921	13%	13%	1.0%	11.9%
Residential Subtotal	\$46,347,284	49%	49%	3.9%	45.2%
C&I Small	\$25,670,590	27%	27%	2.2%	25.1%
C&I Large	\$17,170,814	18%	18%	1.5%	16.8%
C&I Subtotal	\$42,841,404	45%	45%	3.6%	41.8%
Governmental/Non-Profit	\$5,061,304	5%	5%	0.4%	4.9%
Governmental/Non-Profit Subtotal	\$5,061,304	5%	5%	0.4%	4.9%
Residential/C&I/Governmental/Non-Profit Subtotal	\$94,249,992	100%	100%	\$1,178,130,105	
Other Expenditures		0%			
Other Expenditures Subtotal	0	0%			
EDC TOTAL	\$94,249,992	100%			



3. Program Descriptions

3.1. Discussion of criteria and process used for selection of programs:

3.1.1 Describe portfolio objectives and metrics that define program success (e.g., energy and demand savings, customers served, number of units installed).

Allegheny Power has sought to create a portfolio of energy efficiency and conservation, and demand response programs that enable most or all customers to participate in one or more programs. Programs were selected to target the major energy-consuming systems, which are HVAC, major consumer appliances and lighting, with a sufficiently broad scope to provide an opportunity for almost all Pennsylvania customers to participate. Programs were selected to target each customer class including Residential, Residential Low-Income, Small Commercial and Industrial, Large Commercial and Industrial, and Governmental/Non-Profit customers. The proposed programs incorporate services that are targeted directly to end-users and to key trade allies.

Allegheny Power conducted program design in coordination with input received from various stakeholders. Allegheny Power conducted 15 formal stakeholder or working group meetings throughout the program development process to solicit stakeholder input and feedback regarding the development and revision of the Company's Act 129 Plan. The stakeholder process also included numerous informal meetings and discussions which provided the Company with valuable input on the proposed programs or program revisions. In the course of arriving at these recommended programs, over 40 measures were considered or evaluated. The collaborative efforts provided through the stakeholder process have been incorporated in this Plan. The Company looks forward to continuing collaborative efforts to ensure the success of on-going Plan implementation activities and providing energy efficiency and conservation and demand response programs to its customers.

Success factors for this plan include: attaining the planned participation and energy savings goals, the number of homes completed versus goal, energy savings achieved, increased market share, customer awareness and acceptance, high customer satisfaction and the benefit/cost ratio. To improve success, many of the proposed programs were modeled after ACEEE exemplary programs or other utility programs identified through benchmarking.

3.1.2 Describe how programs were constructed for each portfolio to provide market coverage sufficient to reach overall energy and demand savings goals. Describe analyses and/or research that were performed (e.g., market, best-practices, market modeling).

Please see 3.1.3 for combined response.

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3.1.3 Describe how energy efficiency, conservation, solar, solar photovoltaic systems, geothermal heating, and other measures are included in the portfolio of programs as applicable.

Allegheny Power proposes seven energy efficiency and conservation, and demand response programs and rate offerings for residential and low-income residential customers. Two of the programs are very similar and are only differentiated because they are only offered to low income participants. The proposed residential programs cover most of the major energy consuming devices in the home, thus increasing the opportunity for more residential customers to benefit from a program. The residential programs differ generally by the types of measures that are offered, the delivery mechanism that is used, and the residential sector being targeted. The following table provides a listing of the Residential and Residential Low Income programs and the general type of energy efficiency measure activity or demand reduction target activity anticipated in the program. In general, the program delivery mechanism differs between measures that are delivered at the premise level and mass market programs. Appliance programs are mass market programs whereas Home Performance programs are delivered at the premise level.

Residential Including Low Income									
Program Name	EEC	DR	Heating	Cooling	Water Heating	Building Envelope	Kitchen Appliances	Clothes Washing	Lighting
Residential Energy Star and High Efficiency Appliance Program	X		X	X			X	X	
Compact Fluorescent Lighting (CFL) Rewards Program	X								X
Residential Whole Home Appliance Efficiency Program	X		X	X					
Residential Home Performance Program	X		X	X	X	X	X	X	X
Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program	X		X	X	X	X	X	X	X
Residential Low Income Joint Utility Usage Management Program	X		X	X	X	X	X	X	X
Critical Peak Rebate (CPR) Rate		X	X	X	X		X	X	X

Allegheny Power proposes nine energy efficiency and conservation, and demand response programs and rate offering for non-residential customers. The commercial, industrial, governmental and non-profit programs encompass the core energy consuming devices for the types of customers in these sectors, especially with the inclusion of the custom programs. Fundamentally, each of the programs includes the same types of measures; the biggest differences between measures arise in the size and type of commercial and industrial customer that is served by the program. The following tables provide a list of the programs that Allegheny Power proposes for Small Commercial and Industrial, Large Commercial and Industrial and Governmental/Non-Profit customers. The measures described herein are organized by six different end-uses and are differentiated by type (prescriptive or common). “Prescriptive measures” are measures that are commonly implemented in large scale and have well-established, predefined and consistent applications and savings estimates whereas “custom measures” are specific in relation to the customer and typically evaluated on a case-by-case basis. The Company also sought to include new technology and renewable energy projects in the Plan and has included these as custom measures.

Non-Residential										
Program Name	SC&I	LC&I	GNP	EEC	DR	HVAC	Lighting	Motors	Refrigeration	Process
Commercial HVAC Efficiency Program	X	X	X	X		X				
Commercial Products Efficiency Program	X	X		X			X			
Governmental/Non-Profit Lighting Efficiency Program			X	X			X			
Custom Technology Applications Program	X	X	X	X		X	X	X	X	X
Custom Applications Program		X		X		X	X	X	X	X
Customer Load Response Program	X	X	X		X	X	X	X	X	X
Customer Resources Demand Response Program	X	X	X		X	X	X	X	X	X
Distributed Generation Program	X	X	X		X	X	X	X	X	X
Time of Use (TOU) with Critical Peak Pricing Rate	X		X	X	X	X	X	X	X	X

To the extent possible, assumptions used to estimate load impacts (e.g., kWh and kW savings per unit, program net-to-gross ratios, measure lives) in the calculation of the TRC are taken from the Pennsylvania Technical Reference Manual (“TRM”) or based on interim deemed savings being developed by the Technical Working Group (“TWG”) under direction of the Statewide Evaluator. For measures where the required load impacts for cost-effectiveness test inputs were not available in the TRM or interim deemed protocols, the Company utilized benchmarking studies or other resources to support its calculations.

Allegheny Power does not currently have any studies specific to expected participation rates for energy efficiency and conservation and demand response initiatives within its Pennsylvania service territory. For purposes of cost-effective evaluations, a conservative estimation approach to participation rates and energy savings was used to ensure a greater likelihood that the measure or program will remain cost effective throughout its lifecycle. In the case of residential measures, Allegheny Power looked to its 2009 Residential Appliance Saturation Survey to determine the potential pool of participants. With respect to commercial and industrial measures, the Company relied on information from sources such as the Energy Information Administration and the results of pilot studies conducted by other utilities across North America. Within the estimation regime, data was gathered as to incentive levels, program duration, and customer participation. Participation rates were selected somewhat qualitatively from looking at the potential pool of participants, their similarity to the participants of other utilities and the actual take up and participation rates achieved.

As mentioned above, Allegheny Power has undertaken benchmarking studies in an effort to ensure the reasonableness and viability of its program proposals. In doing so, numerous utilities (and sometimes their contractors) and end-users were contacted to ascertain the parameters of the programs offered and the relative success of those program offerings. Benchmarking was used to validate and refine assumptions, and the Company generally found that the benchmarking data gathered was convergent. In those instances where outlying data appeared, Allegheny looked further into the cause of those results to determine if the Company’s service territory might have similar characteristics and other correlating factors. Such observation permitted general validation of the assumptions regarding participation levels (both take up and steady state), participation costs and savings estimates from sources such as the EPA, DOE, Northeast Efficiency Partnership (“NEEP”), American Council for an Energy-Efficient Economy (“ACEEE”) and the Consortium of Energy Efficiency (“CEE”). Finally, programs from Energy Star and ACEEE’s “America’s Best Exemplary Programs” were also reviewed.

In addition to the Pennsylvania electric distribution companies, the following companies and entities (in no particular order) were contacted to gather benchmarking information:

United Illuminating	City of Little Rock, AR
Austin Energy	Southwestern Pennsylvania Commission
Xcel Energy	City of Pittsburgh, PA
City of Philadelphia Municipal Energy Office	Institute of Transportation Engineers
Puget Sound Energy	American Council for an Energy Efficient Economy
Avista Utilities	California Energy Commission
Alliant Energy	Consortium for Energy Efficiency
Efficiency Vermont	Lighting Research Center
City of Fayetteville, AR	U.S. Department of Energy
Gainesville Reg. Utilities	
City of Greensburg, PA	

Allegheny Power also conducted research on existing state and federal building codes and standards for consideration in the measure assumptions. Rebates were only considered for appliances that exceed the federal minimum energy efficiency standard.⁴ In cases where this minimum standard for the measure was already Energy Star qualified, incentives were designed only for higher efficiency models.

In other cases, such as for CFLs, where certain CFLs are to become the federal standard in 2012 (incandescent lamps will no longer be manufactured or imported in the U.S.), the Company plans to revise the incentive program to promote specialty CFLs and/or new energy efficient lighting types. Therefore, Allegheny Power's fundamental approach will not provide rebates for appliances that simply meet current standards. In fact, the Company supports a migration from rebates to increasing customer behaviors as the market transforms.

Allegheny Power reviewed ACEEE exemplary programs and other utility programs identified through internal benchmarking to determine its incentive strategy. The general approach to setting incentive levels for measures, other than those in the custom programs, was to provide an incentive for between 25% to 75% of the incremental cost of the high-efficiency device, with 50% being the target, as compared to the standard efficiency device. The Company proposes to continue to revise the Plan, based on the

⁴ Residential appliances: http://www.energysavers.gov/your_home/appliances/index.cfm/mytopic=10050

experience gained from offering programs to our PA customers, in an effort to maximize Plan effectiveness in meeting the targets and requirements of Act 129. Required incentive levels will vary from program to program and as programs are reviewed, updated, added or removed the overall incentive strategy will need to be updated to reflect this experience.

3.2. Residential Sector (as defined by EDC Tariff) Programs

a. RESIDENTIAL ENERGY STAR AND HIGH EFFICIENCY APPLIANCE PROGRAM

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

The Energy Star and High Efficiency Appliance Program encourages customers in Allegheny Power's Pennsylvania service territory to purchase the most energy-efficient appliances available instead of less energy-efficiency appliances.

Target market

This program targets Allegheny Power's approximately 618,000 Pennsylvania residential customers.

Program description

The Energy Star and High Efficiency Appliance Program encourages customers in Allegheny Power's Pennsylvania service territory to purchase the most energy-efficient appliances available instead of less energy-efficiency appliances. To encourage participation and to overcome cost barriers, this program provides rebates (equal to about 50% of the appliance's incremental cost in most cases) for the purchase of appliances that meet or exceed Energy Star or other energy efficiency ratings.⁵

Mail-in and point-of-sale (where possible) rebates will be offered for clothes washers, clothes dryers, dishwashers, refrigerators (with turn-in), freezers (with turn-in), programmable thermostats, and room air conditioners.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract directly with rebate processing and appliance recycling services providers.

Allegheny Power will contract implementation administration activities including coordination of point of sale agreements, marketing activities, rebate processing and appliance recycling services provider contractor oversight, reporting, and program evaluation.

Possible future enhancements for this program include adding consumer electronics and renewable technologies. Additionally, the Program will be modified as federal minimum

⁵ In instances where Energy Star does not provide an efficiency rating for a device, other standards, such as the federal minimum efficiency standards may be used to establish eligibility criteria.

energy efficiency standards increase to ensure the program continues to incent customers to purchase more energy efficient appliances.

Program issues and risks and risk management strategy

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy;
- Modify rebates; and
- Modify or eliminate measures being offered.

Another risk is the possibility of an increase in the federal energy efficiency standards for appliances resulting in reduced energy savings of appliances based on the current appliance measure requirements. As these standards change, appliance requirements and/or energy savings will be modified to reflect the energy efficiency standards of appliances available at that time. The program manager will be responsible for monitoring these changes and updating each appliance measure as needed.

Anticipated costs to participating customers

The customer will be required to pay for the full cost of the new appliance minus the offered appliance rebate. The offered appliance rebate amount is approximately 50% of the appliance's incremental cost.⁶

Ramp up strategy

This program is expected to be 'full launched' that is, offered to the entire target population on the launch date. Allegheny Power will execute the launch in this manner since it will have had some experience in program management in another state prior to the Pennsylvania launch. It is assumed that the ramp up period for this program will occur in the 2009 and 2010 plan years. In the 2009 plan year, the participation rates are projected to be 33% of future year levels. In the 2010 plan year, the participation rates are projected to be 50% of future year levels.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits primarily through bill inserts, direct mail, print and radio advertising, and in-bound call center contact. In addition, the Home Performance Program will inform customers of this program at all customer contact points.⁷

⁶ Incremental cost is the cost to purchase the required higher energy efficient unit instead of the federal energy efficient standard unit.

⁷ The Home Performance Program is detailed in Section 3.2.d.

Marketing activities will include leveraging and promoting federal and state funding opportunities (stimulus dollars, tax incentives, grants, etc.) that may be associated with this program.⁸

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved).

To encourage participation and to overcome cost barriers, this program provides the following program rebates for each year of the program:

Eligible Program Measures & Incentives			
MEASURE		REBATE (\$)	REBATE LEVEL (% of Incremental \$)
Room Air Conditioner Rebate		\$25	83%
Room Air Conditioner Recycling		\$25	N/A
Refrigerators Rebate		\$50	50%
Refrigerators Recycling		\$35	N/A
Freezers Rebate		\$25	58%
Freezers Recycling		\$35	N/A
Clothes Washers		\$75	25%
Clothes Dryers		\$25	50%
Dishwashers		\$25	50%
Programmable Thermostat		\$25	33%

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.⁹

- Implementation: Award vendor contracts fourth quarter 2009
- Program Marketing: Begin fourth quarter 2009
- Program Start Date: January 1, 2010
- Program End Date: May 31, 2013¹⁰

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.¹¹

All rebate applications will be reviewed upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample of all rebate

⁸ Reference Additional Funding Table in Section 10.F.2.

⁹ Start date and milestones based on assumed Plan approval in fourth quarter 2009.

¹⁰ All measures subject to modification or elimination if federal energy efficiency standard changes or other changes warrant.

¹¹ Reference Section 6.1.2 for details of Level 1 EM&V.

applications, based on 90% confidence level and a plus-or-minus 5% margin of error, will be selected for survey.

Information that will be collected for EM&V purposes will include the quantity of the measure installed, nameplate data from the existing model, the capacity (size) of the existing model, the nameplate data for the new model and the capacity (size) of the new model.

The refrigerator and freezer recycling measures also include verification that an operating refrigerator or freezer was removed from a customer's premise, and that the refrigerator or freezer was appropriately recycled. The recycling vendor is also responsible for verifying the nameplate data of the removed equipment.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program. Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management will require 0.25 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	3,898,308	5,302	5,302
2010	3,921,698	32,086	32,086
2011	3,945,228	51,302	51,302
2012	3,968,899	57,344	57,344

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$682,255	\$570,000	\$168,986	\$65,888	\$225,951	\$1,713,080
2010	\$209,445	\$1,409,040	\$981,094	\$157,720	\$1,343,415	\$4,100,714
2011	\$214,196	\$1,451,310	\$1,484,468	\$209,972	\$2,099,314	\$5,459,260
2012	\$219,054	\$872,000	\$1,659,306	\$203,877	\$2,346,566	\$5,300,803
TOTAL	\$1,324,950	\$4,302,350	\$4,293,854	\$637,456	\$6,015,246	\$16,573,857

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	2,013	2,013	0.5	0.5
2010	11,698	13,711	2.9	3.4
2011	17,718	31,429	4.4	7.8
2012	19,804	51,233	4.9	12.7

Cost-effectiveness – include TRC for each program year and cumulative

The cumulative TRC for this program is calculated to be 2.1

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

In an effort to enable all customer classes to gain added benefits, Allegheny Power will educate customers on the availability of incentives from other funding sources including, but not limited to, Federal Tax Credits for Energy Efficiency under the “Emergency Economic Stabilization Act of 2008” and Stimulus Funds under the “American Recovery and Reinvestment Act of 2009” as appropriate and as funding is available.¹²

¹² Reference Additional Funding Table in Section 10.F.2.

b. COMPACT FLUORESCENT LIGHTING (CFL) REWARDS PROGRAM

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

The CFL Rewards Program encourages customers in Allegheny Power's Pennsylvania service territory to purchase compact fluorescent lights (CFLs) instead of incandescent lamps.

Target market

This program targets Allegheny Power's approximately 618,000 Pennsylvania residential customers.

Program description

The CFL Rebate Program encourages customers in Allegheny Power's Pennsylvania service territory to purchase CFLs instead of incandescent bulbs. To encourage participation and to overcome cost barriers, this program provides mail-in and point-of-sale rebates and markdowns (where possible) in parts of Allegheny Power's service territory with large retail stores. In parts of the service territory that border other EDCs and in Allegheny Power's more rural territory, only the mail-in rebates will be available to customers.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power is evaluating partnership opportunities with companies such as Technical Consumer Products ("TCP") to work with retail stores such as Home Depot and others to further market this program in their stores.

Allegheny Power will contract implementation administration activities including coordination of point of sale agreements, marketing activities, rebate processing services provider contractor oversight, reporting, and program evaluation.

Allegheny Power will contract directly with rebate processing services provider.

As incandescent bulbs start to become unavailable at the end of 2011, this program will be modified based on the available bulbs at that time.

Program issues and risks and risk management strategy

A risk with this program is the possibility of new lighting technologies not being as efficient or available at the time incandescent bulbs start to become unavailable at the end of 2011. If and when this were to happen, claimed energy savings will need to be modified based on the available bulbs at that time. The program manager will be responsible for monitoring these changes and updating the measure as needed.

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy;
- Modify rebates; and
- Modify or eliminate programs.

Anticipated costs to participating customers

The customer will be required to pay for the full cost of the CFLs minus the offered CFL rebate or point of sale markdown. The offered CFL rebate amount is approximately 50% of the incremental cost of purchasing a CFL instead of an incandescent bulb.

Ramp up strategy

This program is expected to be 'full launched' that is, offered to the entire target population on the launch date. AP will execute the launch in this manner since it will have had some experience in program management in another state prior to the Pennsylvania launch. It is assumed that the ramp up period for this program will occur in the 2009 and 2010 plan years. In the 2009 plan year, the participation rates are projected to be 33% of future year levels. In the 2010 plan year, the participation rates are projected to be 50% of future year levels.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits primarily through bill inserts, direct mail, print and radio advertising, and in-bound call center contact. In addition, the Home Performance Program will inform customers of this program at all customer contact points.¹³

¹³ The Home Performance Program is detailed in Section 3.2.d.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

To encourage participation and to overcome cost barriers, this program provides the following program rebates for each year of the program:

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (% of Incremental \$)
CFL Rewards Program		
Single Pack	\$1.50	38%
Multi-Pack	\$3.00	30%

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.¹⁴

- Implementation: Award vendor contracts fourth quarter 2009
- Program Marketing: Begin fourth quarter 2009
- Program Start Date: January 1, 2010
- Program End Date: May 31, 2013¹⁵

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.¹⁶

All rebate applications will be reviewed upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample of all rebate applications, based on 90% confidence level and a plus-or-minus 5% margin of error, will be selected for survey.

Information that will be collected for EM&V purposes will include the quantity of the measure installed and the wattage of the new CFL.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program. Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company’s EM&V contractor.

¹⁴ Start date and milestones based on assumed Plan approval in fourth quarter 2009.

¹⁵ All measures subject to modification or elimination if federal standard changes or other changes warrant.

¹⁶ Reference Section 6.1.2 for details of Level 1 EM&V.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management will require 0.25 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	16,469,117	7,673	36,444
2010	16,432,672	110,240	523,639
2011	15,909,033	160,090	760,429
2012	15,148,604	169,376	804,536

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$682,255	\$63,000	\$1,063	\$42,155	\$20,140	\$808,614
2010	\$209,445	\$155,736	\$15,279	\$36,841	\$289,380	\$706,681
2011	\$214,196	\$160,408	\$22,189	\$44,937	\$420,237	\$861,967
2012	\$219,054	\$96,379	\$23,476	\$43,094	\$444,612	\$826,614
TOTAL	\$1,324,950	\$475,523	\$62,007	\$167,027	\$1,174,369	\$3,203,876

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	1,508	1,508	0.1	0.1
2010	21,674	23,182	1.2	1.3
2011	31,475	54,657	1.7	3.0
2012	33,301	87,958	1.8	4.8

Cost-effectiveness – include TRC for each program year and cumulative

The TRC for this program is calculated to be 6.1

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

This program will be revised from offering rebates for standard CFLs to offering rebates for LED lighting and/or specialty CFLs as these technologies become available and/or the standard CFLs saturate the market. The recent Energy Independence and Security Act (EISA) of 2007 legislation requires that the efficiency standards of incandescent bulbs (in the form of minimum lumen per watt values) be phased in by 2014. The savings per bulb decreases beginning in 2012 in conjunction with this legislation.

c. RESIDENTIAL WHOLE HOME APPLIANCE EFFICIENCY PROGRAM

Years during which program will be implemented

January 2010 through May 2013.

Objective(s)

The Residential Whole Home Appliance Efficiency Program encourages residential customers in Allegheny Power's Pennsylvania service territory to perform maintenance on their existing central air conditioner (CAC) or heat pump (HP) system. The program also encourages customers to replace electric hot water heaters with new Energy Star domestic hot water storage type units.

Target market

This program targets all residential customers in Allegheny Power's Pennsylvania service area who have interest in electric HVAC system performance and energy efficient domestic hot water storage type units. There are approximately 618,000 residential customers in Allegheny Power's Pennsylvania service territory, of which about half cool their homes with air conditioning and about half have resistive electric domestic hot water storage type units.

Program description

The Residential Whole Home Appliance Efficiency Program encourages residential customers to perform maintenance on their existing central air conditioner (CAC) or heat pump (HP) system. The program also encourages customers to replace electric hot water heaters with Energy Star domestic hot water storage type units. To encourage participation and to overcome cost barriers, this program provides rebates (equal to about 25% of the appliance's incremental cost in most cases) for the maintenance on their existing central air conditioner (CAC) or heat pump (HP) system and the purchase of Energy Star domestic hot water storage type units. To qualify for these rebates under this program, the work must be completed by a certified contractor or be Energy Star certified

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract implementation administration activities including coordination with HVAC equipment distributors and contractors, marketing activities, rebate processing services provider contractor oversight, reporting, and program evaluation.

Allegheny Power will contract directly with rebate processing service providers.

Future enhancements may include renewable heating and cooling technologies and other domestic hot water heating methods.

Program issues and risks and risk management strategy

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy;
- Modify rebates; and
- Modify or eliminate measures being offered.

Another risk is the possibility of a decrease in the claimable savings for HVAC maintenance and/or an increase in the federal energy efficiency standards for domestic hot water storage type unit resulting in reduced energy savings based on the current domestic hot water storage type unit measure requirements. If and when these standards change, requirements and/or energy savings will be modified to reflect the energy efficiency standards available at that time. The program manager will be responsible for monitoring these changes and updating each appliance measure as needed.

Anticipated costs to participating customers

The customer will be required to pay for the full cost of the new central air conditioner or heat pump minus the offered appliance rebate. The offered rebate amount is approximately 25% of the unit's incremental cost.¹⁷ Approximate (net) equipment costs are:

- Residential Air Conditioner or Heat Pump Maintenance: \$175
- Residential Energy Star Domestic Hot Water Storage Type Unit: \$965

Ramp up strategy

This program is expected to be 'full launched' that is, offered to the entire target population on the launch date. Allegheny Power will execute the launch in this manner since it will have had some experience in program management in another state prior to the Pennsylvania launch. It is assumed that the ramp up period for this program will occur in the 2010 and 2011 plan years. In the 2010 plan year, the participation rates are projected to be 60% of future year levels. In the 2011 plan year, the participation rates are projected to be 90% of future year levels.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits primarily through bill inserts, direct mail, print and radio advertising, and in-bound call center contact. In addition, the Home Performance Program will inform customers of this program at all customer contact points and HVAC equipment distributors and installation contractors will be notified of the program's requirements and available customer incentives.¹⁸

¹⁷ Incremental cost is the cost to purchase the required higher energy efficient unit instead of the federal energy efficient standard unit.

¹⁸ The Home Performance Program is detailed in Section 3.2.d.

Marketing activities will include leveraging and promoting federal and state funding opportunities (stimulus dollars, tax incentives, grants, etc.) that may be associated with this program.¹⁹

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (% of Incremental \$)
Heat Pump or CAC System Maintenance	\$25	13%
Domestic Hot Water Storage Type Units	\$225	25%

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.²⁰

- Implementation: Award vendor contracts first quarter 2011
- Program Marketing: Begin first quarter 2011
- Program Start Date: January 1, 2011
- Program End Date: May 31, 2013²¹

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.²²

All rebate applications will be reviewed upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample of all rebate applications, based on 90% confidence level and a plus-or-minus 5% margin of error, will be selected for survey.

Information that will be collected for EM&V purposes may include a description of the application, the quantity of the measure installed, nameplate data from the existing model, the capacity (size) of the existing model, the nameplate data for the new model and the capacity (size) of the new model. The Company will also note if the customer switched from an electric to a gas water heater.

¹⁹ Reference Additional Funding Table in Section 10.F.2.

²⁰ Start date and milestones based on assumed Plan approval in fourth quarter 2009.

²¹ All measures subject to modification or elimination if federal standard changes or other changes warrant.

²² Reference Section 6.1.2 for details of Level 1 EM&V.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor..

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management will require 0.25 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	931,399	0	0
2010	936,988	1,580	1,580
2011	942,610	5,723	5,723
2012	948,265	6,397	6,397

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$643,677	\$92,500	\$0	\$37,290	\$0	\$773,467
2010	\$209,445	\$228,660	\$1,720	\$49,701	\$112,403	\$601,929
2011	\$214,196	\$235,520	\$6,229	\$77,672	\$407,079	\$940,697
2012	\$219,054	\$141,509	\$6,963	\$74,030	\$455,024	\$896,580
TOTAL	\$1,286,373	\$698,189	\$14,913	\$238,693	\$974,506	\$3,212,673

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	1,458	1,458	0.5	0.5
2011	5,280	6,738	1.7	2.1
2012	5,902	12,641	1.9	4.0

Cost-effectiveness – include TRC for each program

The TRC for this program is calculated to be 0.8

Refer to Table 7A for TRC for each program year

Other information deemed appropriate

In an effort to enable all customer classes to gain added benefits, Allegheny Power will educate customers on the availability of incentives from other funding sources including, but not limited, to Federal Tax Credits for Energy Efficiency under the “Emergency Economic Stabilization Act of 2008” and/or Stimulus Funds under the “American Recovery and Reinvestment Act of 2009” as appropriate and as funding is available.²³

²³ Reference Additional Funding Table in Section 10.F.2.

d. RESIDENTIAL HOME PERFORMANCE PROGRAM

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

The Residential Home Performance Program encourages residential customers in Allegheny Power's Pennsylvania service territory to improve the overall efficiency of their homes and reduce their carbon footprint through a holistic approach to energy consuming systems in the home including customer EE&C education, the installation of audit measures and informing customers of Allegheny Power's other EE&C residential programs.

Target market

The program will target the approximately 618,000 residential customers in Allegheny Power's Pennsylvania service territory.

Program description

The Residential Home Performance Program provides a holistic approach to educating customers on energy efficiency and conservation, and to improve overall home performance, by providing customers with a choice of two energy audit measures including an On-line Audit, and an In-Home Audit. Allegheny Power is offering a \$50 incentive for the In-Home Audit. The customer will be eligible to receive an additional incentive for the installation of measures recommended by the audit up to the balance of the audit cost. The Consumer Efficiency measure will study customer demographic and perform a bill analysis. The customer will be presented a report containing EE&C efficiency education and opportunities to reduce consumption based on the demographic and bill analysis. The Consumer Efficiency measure will also provide EE&C educational materials for schools.

Allegheny Power will contract with BPI certified contractors²⁴ or consultants to provide the audits conducted at the home and install standard measures at the time of the audit. At the completion of the audit, the customer will be presented with home energy efficiency and conservation recommendations and information for Allegheny Power's other residential program offerings.

The measures directly available through this program for electric heat customers are attic insulation and home sealing via qualified In-Home Audits. This program leverages Allegheny Power's portfolio of programs for a more energy efficient home.

²⁴ The Building Performance Institute offers nationally-recognized training, certification, accreditation, and quality-assurance programs. This includes standard construction and modular housing.
<http://www.bpi.org/content/contractors/faq.html>

The measures directly supported by this program and available to all audit participants are:

- Residential Energy Star and High Efficiency Appliance Program;
- Residential CFL Rewards Program;
- Residential Whole Home Appliance Efficiency Program

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract implementation management and administration activities including sub-contracting for home audit services, marketing activities, reporting, and program evaluation.

Program issues and risks and risk management strategy

There is currently a significant deficiency in certified auditors. An RFP is planned to contract a minimum of 40 more auditors. Allegheny Power is also discussing opportunities to partner with PA Home Energy²⁵ to provide the audits conducted in the home.

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy;
- Modify incentives; and
- Modify or eliminate measures being offered.

Anticipated costs to participating customers

- In-Home Audit \$239
- On-Line \$0
- In-Home Direct Measures - Installation and/or material costs less the customer's audit fee above

Ramp up strategy

This program is expected to be at 'full launch' that is, offered to the entire target population on the launch date. Allegheny Power will execute the launch in this manner since it will have had some experience in program management in Maryland prior to the Pennsylvania launch. It is assumed that the ramp up period for this program will occur in the 2009 and 2010 plan years. In the 2010 plan year, the participation rates are projected to be 60% of future year levels.

²⁵ PA Home Energy with Keystone HELP promotes a holistic approach to educating customers on energy efficiency and conservation to improve overall home performance. This is a potential partnership to leverage their existing process, BPI certified auditors, state presence, and program infrastructure to reduce start-up time and cost along with providing a quality program to the customer. See PA Home Energy <http://www.pahomeenergy.com/>.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits primarily through bill inserts, direct mail, print and radio advertising, and in-bound call center contact.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

To encourage participation and to overcome cost barriers, Allegheny Power is offering a \$50.00 incentive for the In-Home Audit. The customer will be eligible to receive an additional incentive for the installation of measures recommended by the audit up to the balance of the audit cost. The table below reflects the combination of both incentives on average.

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
On-Line Audit	4 CFLs	100%
In Home Audit	\$50 + 15% up to audit cost	
Consumer Efficiency	CFLs & Educational Material	

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.

- Implementation: Potential collaboration with PA Home Energy and execute vendor contracts
- Program Marketing: Early 4th quarter 2009 so customers can plan for their 2010 home projects
- Program Start Date: January 2010
- Program End Date: May 31, 2013²⁶

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.²⁷

A statistically valid sample of all participants, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected for a follow-up phone call to verify that they received their energy efficiency kit and, including but not limited to, the number of and location of CFLs installed.

²⁶ All projects accepted must be completed by May 31, 2013. This assumes Plan will end May 31, 2013.

²⁷ Reference Section 6.1.2 for details of Level 1 EM&V.

Allegheny Power will audit 20% of each certified contractor’s projects in the first year and 5% per year thereafter for quality assurance. The Company expects that contractor training programs would be modified to address any trends discovered through the audit process.

A statistically valid sample, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected annually for post-installation inspection. Inspections will include a site visit to verify energy-efficient technical specifications and quantities

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company’s EM&V contractor.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management will require 0.5 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	0	2,429	2,429
2010	0	70,809	70,809
2011	0	85,872	85,872
2012	0	90,704	90,704

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$653,749	\$350,000	\$25,775	\$32,041	\$38,495	\$1,100,060
2010	\$315,659	\$573,600	\$623,860	\$65,610	\$673,226	\$2,251,955
2011	\$343,004	\$597,308	\$773,745	\$89,536	\$1,269,818	\$3,073,411
2012	\$355,111	\$576,491	\$796,801	\$93,621	\$1,391,619	\$3,213,642
TOTAL	\$1,667,523	\$2,097,399	\$2,220,180	\$280,808	\$3,373,158	\$9,639,068

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	496	496	0.0	0.0
2010	17,035	17,531	1.7	1.7
2011	21,136	38,667	2.0	3.7
2012	21,594	48,471	2.0	4.4

Cost-effectiveness – include TRC for each program

Home Performance Program TRC result is 1.7

Refer to Table 7A for TRC for each program year

Other information deemed appropriate

In an effort to enable all customer classes to gain added benefits, Allegheny Power plans to access and educate customers on the availability of incentives from available funding sources including, but not limited, to Federal Tax Credits for Energy Efficiency under the “Emergency Economic Stabilization Act of 2008” and/or Stimulus Funds under the “American Recovery and Reinvestment Act of 2009” as appropriate, and as funding becomes available.²⁸

²⁸ Reference Additional Funding Table in Section 10.F.2.

e. CRITICAL PEAK REBATE (CPR) RATE

Years during which program will be implemented

January 2011 through May 2013

Objective(s)

This rate offering encourages residential customers in Allegheny Power's Pennsylvania service territory to lower their demand during periods of high system loading.

Target market

This rate offering will target residential customers in Allegheny Power's Pennsylvania service territory, in conjunction with the installation of smart meters.

Program description

This demand response program encourages customers to lower their demand during peak load hours by offering a rate discount/rebate based on actual demand reduction. The reduction can occur during predefined or notified peak hours. CPR could be competitively neutral to allow customers to continue to pay the same generation charge as on utility-provided default service or from an electric generation supplier. CPR relies on the installation of a smart meter to measure the customer's demand during peak hours. Participants will receive additional information to assist them in controlling their demand and their electric bills.

Implementation strategy (including expected changes that may occur in different program years)

This rate offering requires the installation of a smart meter to measure the customer's hourly demand.

Program issues and risks and risk management strategy

This rate offering is most effective when coupled with Smart Meters that provides information about current and past energy consumption.

Achieving estimated participation rates is a rate offering risk. The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy; and
- Modify or eliminate program, subject to PUC approval.

Anticipated costs to participating customers

There are no customer costs to participate.

Ramp up strategy

The implementation timeline for this rate offering will align with the smart metering infrastructure plan. See **Program start date with key schedule milestones** below for rollout.

Marketing strategy

Marketing activities will target eligible customers to inform them of the rate offering, its components, and the associated benefits primarily through bill inserts, direct mail, print and radio advertising, and in-bound call center contact.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Customer incentives will be included as part of the rate offering to encourage customers to reduce load during periods of peak system loading.

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
Critical Peak Rebate	Based on Load Reduction	

Program start date with key schedule milestones

2010

January – December

Rate tariff development and filing

Marketing plan development

2011

Smart meter installations as per SMIP

2012

Smart meter installations as per SMIP

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 2 EM&V category.²⁹

²⁹ Reference Section 6.1.2 for details of Level 2 EM&V.

It is expected that the smart meters will provide the method for EM&V of this rate.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will file with the Commission for approval of program modifications if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management of all demand response rate offerings will require 1.0 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	616,821	0	0
2010	620,522	0	0
2011	624,245	12,485	12,485
2012	627,990	18,840	18,840

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$0	\$0	\$0	\$0	\$0	\$0
2010	\$163,629	\$100,000	\$0	\$31,635	\$0	\$295,265
2011	\$167,341	\$100,000	\$0	\$61,296	\$243,456	\$572,092
2012	\$171,136	\$20,000	\$0	\$67,021	\$367,374	\$625,532
TOTAL	\$502,106	\$220,000	\$0	\$159,952	\$610,830	\$1,492,888

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	0	0	0.0	0.0
2011	487	487	4.9	4.9
2012	735	735	7.3	7.3

Cost-effectiveness – include TRC for each program year and cumulative
 The cumulative TRC for this program is calculated to be 0.5

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

3.2.1 Low-Income Sector (as defined by 66 Pa. C.S. § 2806.1) Programs

In addition to programs listed below, the Low-Income Sector is eligible for all programs offered to the Residential Sector.

a. **RESIDENTIAL LOW INCOME HOME PERFORMANCE CHECK UP AUDIT & APPLIANCE REPLACEMENT PROGRAM (SINGLE & MULTI-FAMILY DWELLINGS)**

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

The Residential Low Income Home Performance Check-up Audit and Appliance Replacement Program encourages low income residential customers to improve the overall efficiency of their home and reduce their carbon footprint through a holistic approach to energy consuming systems in the home.

Target market

This program targets low income ratepayers with household income up to 150% of the federal poverty level who own or rent. Allegheny Power currently has 39,140 confirmed or stated low income customers. This number includes those customers that received an energy assistance benefit and/or are participants in the Company's Customer Assistance Program (CAP) otherwise known as the Low Income Payment and Usage Reduction Program (LIPURP) and customers that are on level one payment agreements with a stated income that places them in the low income category. Based on census data, Allegheny Power could have as many as 90,000 residential customers up to 150% of the federal poverty level.

Program description

Program consists of a Home Check-Up Audit along with standard installed measures. The auditors will provide and install standard EE&C measures, with the customer's consent. The installed measures are as follows:

- Non Electric Hot Water heating customers – up to 6 CFLs
- Electric Hot Water heating customers – 6 CFLs, up to 3 Faucet Aerators, and 1 Low Flow Shower Head.

Under the Appliance Replacement component, the refrigerator and/or room air conditioner may qualify for replacement.

- *Refrigerator* – The auditor will determine if the customer's existing refrigerator is eligible for replacement based on the age and operational effectiveness. If eligible, the refrigerator will be replaced with a like-size Energy Star model. In addition, should the customer also have an older, inefficient freezer in use, the

customer will be provided the opportunity to replace both the refrigerator and freezer with a larger, more efficient refrigerator, so that the freezer may be removed.

- Room Air Conditioner - The auditor will determine if the customer's existing room air conditioner is eligible for replacement based on the age and operational effectiveness.

For homes with supplemental electric space heaters, auditors will provide messaging to the customer that weatherization services reduces the need to utilize the electric space heaters. Auditors will also be required to determine condition of the unit, need and appropriate use of space heater. If the auditor determines space heater use is needed as an alternative heating source because primary heating system is inoperable, steps will be taken to repair or replace primary heating source by accessing appropriate agency or contractor and accessing available funding sources.

The following residential programs are available to all participants.

- Residential Energy Star and High Efficiency Appliance Program
- Residential HVAC Efficiency Program
- Residential CFL Rewards Program

Compliance Achievement Plan:

- Allegheny Power expects to meet with available service providers to explain scope of program services and projected participation levels. Keeping service providers informed as to participation levels will enable them to address their workforce planning.
- Annual meetings with contractors/auditors will be scheduled.
- Allegheny Power plans targeted outreach to certain customer segments such as multi-family dwellings.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract implementation management and administration activities including sub-contracting for home audit services, networking, marketing activities, internal reporting, support external reporting and program evaluation.

Allegheny Power will oversee all contract work to ensure the scope of work is fully implemented, and will be responsible for all PUC reporting.

The implementation manager will handle customer issues and coordination of program services with home auditing contractors. Allegheny Power staff will also be available to address customer issues as needed.

Training of call center representatives, implementation management and home audit contractors will be held prior to roll-out of the program to ensure thorough understanding of deliverables. Allegheny Power expects to have a close working relationship with all parties and will provide added training and direction when appropriate and as needed.

Program issues and risks and risk management strategy

With the projected number of audits for all customers and increased comprehensive weatherization services for residential customers with low to moderate incomes, Allegheny Power has identified a resource constraint for performing home energy audits and comprehensive weatherization services. This has been an issue for several years as Allegheny Power has needed to contract with both Community Action Agencies and private contractors in order to have adequate coverage of Allegheny Power's service territory as well as have contractors able to provide the scope of energy conservation measures under the company's Low Income Usage Reduction Program (LIURP). It is Allegheny Power's intent to meet with available contractors prior to program start-up to review scope of work and projected participant levels to allow contractors the opportunity to increase and train their workforce.

Program issues and risks involved include the condition of the home and acquiring approval from the property owner for eligible appliance replacement, if the residence is a rental property. Allegheny Power plans to secure the required approvals for rental properties prior to any appliance replacement. In addition, all sub-contractors will be required to provide as part of the contract, Allegheny Power's standard level of liability insurance.

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine reasonable participation. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy; and
- Modify or eliminate measures being offered.

Anticipated costs to participating customers

There is no cost to the customer.

Ramp up strategy

This program is expected to be 'full launched', that is, offered to the entire target population on the launch date.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits through bill inserts, direct mail, in-bound call center contact, and through social service agencies.

Allegheny Power will continue to work with State agencies to identify low income customers so they may be enrolled into, and receive services from the low income residential programs.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
Low Income Home Performance Check-Up & Appliance Replacement Program		100% of total expenditures

Program start date with key schedule milestones

- Meet with implementation management: Third quarter 2009
- Obtain and meet with auditing contractors: Fourth quarter 2009
- Begin training of call center representatives: Fourth quarter 2009
- Program Start Date: January 2010
- Program End Date: May 31, 2013

Allegheny Power will monitor participation levels, spending and savings on a monthly and annual basis to determine if milestones are being achieved as outlined in the table.

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.³⁰

A statistically valid sample of all requests, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected for a follow-up phone call to verify that they received their energy efficiency kit and, including but not limited to, the number of and location of CFLs installed.

Reports will be prepared and maintained by the third-party administrator to verify adherence to customer eligibility requirements. A statistically valid sample, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected annually for post-installation inspection. Inspections will include a site visit to verify energy-efficient technical specifications and quantities.

Information that will be collected for EM&V purposes will include the quantity of the measures installed, nameplate data from the existing model, the capacity (size) of the existing model, the nameplate data for the new model and the capacity (size) of the new model.

³⁰ Reference Section 6.1.2 for details of Level 1 EM&V.

The refrigerator and room air conditioner replacement measures also include verification that an operating refrigerator or room air conditioner was removed from a customer's premise, and that the refrigerator or room air conditioner was appropriately recycled. The vendor is also responsible for verifying the nameplate data of the existing and new appliance.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that significant changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor.

Allegheny Power will place a code on the customer accounts indicating the date of service and related costs of the job. For customers in receipt of comprehensive installed measures, the account will trigger an alert for investigation should the customer's usage exceed 10% above historical usage prior to installed measures.

Allegheny Power is also considering including this program as part of the required program evaluation of company's existing Low Income Usage Reduction Program (LIURP).

Administrative requirements – include utility staffing levels

For inclusion of all PA low income weatherization programs, Allegheny Power will assign an internal program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. This will account for 0.50 FTE. In addition, it is estimated that 4.5 FTEs will be required from a third party administrator.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	13,878	231	231
2010	13,647	2,729	2,729
2011	10,918	1,092	1,092
2012	9,826	983	983

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$142,915	\$30,000	\$36,228	\$8,077	\$194,715	\$411,935
2010	\$173,182	\$33,000	\$108,684	\$52,250	\$2,297,636	\$2,664,752
2011	\$171,162	\$37,000	\$108,684	\$24,718	\$919,054	\$1,260,618
2012	\$174,575	\$24,000	\$108,684	\$22,688	\$827,149	\$1,157,097
TOTAL	\$661,834	\$124,000	\$362,280	\$107,733	\$4,238,554	\$5,494,402

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	204	204	0.1	0.1
2010	2,408	2,612	0.7	0.7
2011	963	3,575	0.3	1.0
2012	867	4,442	0.2	1.3

Cost-effectiveness – include TRC for each program year and cumulative

The cumulative TRC for this program is calculated to be 1.5

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

Allegheny Power plans to access and educate customers on the availability of incentives from available funding sources including, but not limited to, Federal Tax Credits for Energy Efficiency under the “Emergency Economic Stabilization Act of 2008” and/or Stimulus Funds under the “American Recovery and Reinvestment Act of 2009” as appropriate, and as funding becomes available.³¹

³¹ Reference Additional Funding Table in Section 10.F.2.

b. RESIDENTIAL JOINT UTILITY USAGE MANAGEMENT PROGRAM – LOW INCOME WEATHERIZATION (LIURP, HOME CHECK UP & APPLIANCE REPLACEMENT)

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

The Joint Utility Usage Management Program (JUUMP), is a joint program with gas utilities and available to customers who heat with gas. This program enables leveraging of LIURP program dollars as well as DCED funding. This joint effort will provide a holistic approach to energy conservation and will minimize the impact on the customer's time by coordinating program services. This program is beginning as a cooperative effort between Allegheny Power and Columbia Gas.

Target market

Program will be available to low to moderate income customers with household incomes up to 200% of the federal poverty level.³² Customers must also heat by gas and/or be eligible for any gas reduction measure. The initial program will target customers of both Allegheny Power and Columbia Gas.

Savings attributed to customers from 151% to 200% of federal poverty level will not be counted toward low income savings, however will be counted toward total goal.

Program description

The program consists of a Home Check-Up Audit with Appliance Replacement or LIURP Program measures for gas and electric customers.

Under the Appliance Replacement component, the refrigerator and/or room air conditioner may qualify for replacement.

- Refrigerator – The auditor will determine if the customer's existing refrigerator is eligible for replacement based on the age and operational effectiveness. If eligible, the refrigerator will be replaced with a like-size Energy Star model. In addition, should the customer also have an older, inefficient freezer in use, the customer will be provided the opportunity to replace both the refrigerator and freezer with a larger, more efficient refrigerator, so that the second freezer may be removed.

³² The threshold of 200% of the federal poverty level in the program was established to be consistent with that of the gas company's approved LIURP Program eligibility level and to avoid customer confusion. It should be noted that the Company will track program savings between 0-150% and 151-200% of the federal poverty level.

- Room Air Conditioner - The auditor will determine if the customer's existing room air conditioner is eligible for replacement based on the age and operational effectiveness.

For homes with supplemental electric space heaters, auditors will provide messaging to the customer that weatherization services reduces the need to utilize the electric space heaters. Auditors will also be required to determine condition of the unit, need and appropriate use of space heater. If the auditor determines space heater use is needed as an alternative heating source because primary heating system is inoperable, steps will be taken to repair or replace primary heating source by accessing appropriate agency or contractor and accessing available funding sources.

The following residential programs are available to all participants.

- Residential Energy Star and High Efficiency Appliance Program
- Residential HVAC Efficiency Program
- Residential CFL Rewards Program

Compliance Achievement Plan:

- Allegheny Power expects to meet with available service providers to explain scope of program services and projected participation levels. Keeping service providers informed as to participation levels will enable them to address their workforce planning.
- Annual meetings with contractors/auditors will be scheduled.
- Allegheny Power plans targeted outreach to certain customer segments such as multi-family dwellings.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will work closely with Columbia Gas Staff to ensure an effective and efficient process flow for coordination of program benefits.

Allegheny Power will contract implementation management and administration activities including sub-contracting for home audit services, weatherization services, networking, marketing activities, internal reporting, support external reporting and program evaluation.

Allegheny Power will oversee all contract work to ensure the scope of work is fully implemented, and will be responsible for all PUC reporting.

The implementation management will handle customer issues and coordination of program services with weatherization contractors. Allegheny Power staff will also be available to address customer issues as needed.

Training of call center representatives, implementation management and weatherization contractors will be held prior to roll-out of the program to ensure thorough understanding of deliverables. Allegheny Power expects to have a close working relationship with all parties and will provide added training and direction when appropriate and as needed.

Program issues and risks and risk management strategy

With the projected number of audits for all customers and increased comprehensive weatherization services for residential customers with low to moderate incomes, Allegheny Power has identified a resource constraint for performing home energy audits and comprehensive weatherization services. This has been an issue for several years as Allegheny Power has needed to contract with both Community Action Agencies and private contractors in order to have adequate coverage of Allegheny Power's service territory as well as have contractors able to provide the scope of energy conservation measures under the company's Low Income Usage Reduction Program (LIURP). It is Allegheny Power's intent to meet with available contractors prior to program start-up to review scope of work and projected participant levels to allow contractors the opportunity to increase and train their workforce.

Program issues and risks involved include the condition of the home and acquiring approval from property owner for eligible appliance replacement if a rental property. Allegheny Power plans to obtain the required approvals for rental properties prior to any appliance replacement. In addition, all sub-contractors will be required to provide as part of the contract, Allegheny Power's standard level of liability insurance.

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine reasonable participation. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy; and
- Modify or eliminate measures being offered.

Anticipated costs to participating customers

There is no cost to the customer.

Ramp up strategy

This program is expected to be available on the launch date.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits through bill inserts, direct mail, in-bound call center contact, and through social service agencies.

AP will continue to work with State agencies to identify low income customers so they may be enrolled into, and receive services from the low income residential programs.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
Low Income Joint Utility Usage Management Program		100% up to \$5,000

Program start date with key schedule milestones

- Meetings with Columbia Gas: Beginning April 2009 and on-going
- Meet with implementation management: Third quarter 2009
- Obtain and meet with contractors: Fourth quarter 2009
- Begin training of call center representatives: Fourth quarter 2009
- Program Start Date: January 2010
- Program End Date: May 31, 2013

Allegheny Power will monitor participation levels, spending and savings on a monthly and/or annual basis to determine if milestones are being achieved as outlined in the table.

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.³³

A statistically valid sample of all energy efficiency kit requests, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected for a follow-up phone call to verify that they received their energy efficiency kit requests and, including but not limited to, the number of and location of CFLs installed.

Reports will be prepared and maintained by the third-party administrator to verify adherence to customer eligibility requirements. A statistically valid sample, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected annually for post-installation inspection. Inspections will include a site visit to verify energy-efficient technical specifications and quantities.

Information that will be collected for EM&V purposes will include the quantity of the measures installed, nameplate data from the existing model, the capacity (size) of the existing model, the nameplate data for the new model and the capacity (size) of the new model.

³³ Reference Section 6.1.2 for details of Level 1 EM&V.

The refrigerator and room air conditioner replacement measures also include verification that an operating refrigerator or room air conditioner was removed from a customer's premise, and that the refrigerator or room air conditioner was appropriately recycled. The vendor is also responsible for verifying the nameplate data of the existing and new appliances.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that significant changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor:

Allegheny Power will place a code on the customer accounts indicating the date of service and related costs of the job. For customers in receipt of comprehensive installed measures, the account will trigger an alert for investigation should the customer's usage exceed 10% above historical usage prior to installed measures.

Allegheny Power is also considering including this program as part of the required program evaluation of company's existing Low Income Usage Reduction Program (LIURP).

Program participation savings will be tracked for these two segments of Federal Poverty Level:

- 0% – 150%
- 151% – 200%

Administrative requirements – include utility staffing levels

For inclusion of all PA low income weatherization programs, Allegheny Power will assign an internal program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. This will account for 0.50 FTE. In addition, it is estimated that 4.5 FTEs will be required as a third party administrator.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	89,166	621	24,226
2010	89,076	3,749	146,230
2011	88,534	3,772	147,108
2012	87,989	3,795	147,990

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$144,280	\$30,000	\$36,228	\$8,847	\$231,850	\$451,205
2010	\$176,752	\$33,000	\$108,684	\$34,984	\$1,430,752	\$1,784,172
2011	\$180,543	\$37,000	\$108,684	\$35,955	\$1,471,532	\$1,833,713
2012	\$184,417	\$23,000	\$108,684	\$52,185	\$2,293,143	\$2,661,429
TOTAL	\$685,992	\$123,000	\$362,280	\$131,971	\$5,427,276	\$6,730,519

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	550	550	0.1	0.1
2010	3,322	3,873	0.6	0.7
2011	3,342	7,215	0.6	1.3
2012	3,362	10,577	0.6	1.9

Cost-effectiveness – include TRC for each program year and cumulative
The cumulative TRC for this program is calculated to be 0.9

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

Allegheny Power will access and educate customers on the availability of incentives from available funding sources including, but not limited to, Federal Tax Credits for Energy Efficiency under the “Emergency Economic Stabilization Act of 2008” and/or Stimulus Funds under the “American Recovery and Reinvestment Act of 2009” as appropriate, and as funding becomes available.³⁴

³⁴ Reference Additional Funding Table in Section 10.F.2.

3.3. Commercial/Industrial Small Sector (as defined by EDC Tariff) Programs

a. COMMERCIAL HVAC EFFICIENCY PROGRAM

Years during which program will be implemented

January 2011 through May 2013

Objective(s)

The Commercial HVAC Efficiency Program encourages small and large commercial and industrial, and governmental/non-profit customers in Allegheny Power's Pennsylvania service territory to perform maintenance on their existing central air conditioner (CAC) or heat pump (HP) system.

Target market

This program targets small commercial and industrial, and governmental/non-profit customers in Allegheny Power's Pennsylvania service area who are interested in electric HVAC system performance. There are about 82,000 commercial customers in AP's PA territory of which about 36% cool buildings.

Program description

To encourage participation and to overcome cost barriers, this program provides a rebate for the customer to perform maintenance on their existing central air conditioner (CAC) or heat pump (HP) system.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract implementation administration activities including coordination with HVAC equipment distributors and contractors, marketing activities, rebate processing services provider contractor oversight, reporting, and program evaluation.

Allegheny Power will contract directly with rebate processing service providers.

Future enhancements may include renewable technologies.

Program issues and risks and risk management strategy

Program approval is a risk; programs may not be approved in time to align with commercial and industrial customers' budget cycles for 2011. Possible mitigation strategies include:

- Request phased review and approvals for those programs at risk due to budget planning cycles.

- Consider contacting eligible customers in advance of approvals to alert them of a possible program.

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine if participation rates are as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy;
- Modify incentives; and
- Modify or eliminate measures being offered.

Another risk is the possibility of a decrease in the claimable savings. If and when these standards change, requirements and/or energy savings will be modified to reflect the energy efficiency standards. The program manager will be responsible for monitoring these changes and updating each appliance measure as needed.

Anticipated costs to participating customers

The customer will be required to pay the cost of the new device less rebates. The average expected customer cost per unit is approximately 25% of incremental costs. Approximate (net) cost is:

- Commercial Air Conditioner or Heat Pump Maintenance: \$175

Ramp up strategy

Begin communicating program in the fourth quarter of 2010 so Commercial and Industrial customers can plan and budget for projects in 2011. This program is expected to be 'full launched' that is, offered to the entire target population on the launch date. Allegheny Power will execute the launch in this manner since it will have had some experience in program management in another state prior to the Pennsylvania launch. It is assumed that the ramp up period for this program will occur in the 2010 and 2011 plan years. In the 2010 plan year, the participation rates are projected to be 60% of future year levels. In the 2011 plan year, the participation rates are projected to be 90% of future year levels.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits through bill inserts, direct mail, Allegheny Power website, trade shows, the business customer newsletter, and key account managers. Allegheny Power will work with HVAC contractors to market HVAC maintenance services.

Marketing activities will include leveraging and promoting federal and state funding opportunities (stimulus dollars, tax incentives, grants, etc.) that may be associated with this program.³⁵

³⁵ Reference Additional Funding Table in Section 10.F.2.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Eligible Program Measures & Incentives			
MEASURE		REBATE (\$)	REBATE LEVEL (% of Incremental \$)
Heat Pump or CAC System Maintenance		\$25	13%

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.³⁶

- Implementation: Award vendor contracts first quarter 2011
- Introduction of program to target customers: Begin fourth quarter 2010
- Program Marketing: Begin fourth quarter 2010
- Program Start Date: January 1, 2011
- Program End Date: May 31, 2013³⁷

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.³⁸

All rebate applications will be reviewed upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample of all rebate applications, based on 90% confidence level and a plus-or-minus 5% margin of error, will be selected for survey.

Information that will be collected for EM&V purposes will include the quantity of the measure installed, nameplate data from the existing model, the capacity (size) of the existing model, the nameplate data for the new model and the capacity (size) of the new model.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

³⁶ Start date and milestones based on assumed Plan approval in fourth quarter 2009.

³⁷ All measures subject to modification or elimination if federal standard changes or other changes warrant.

³⁸ Reference Section 6.1.2 for details of Level 1 EM&V.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company’s EM&V contractor.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management will require 0.25 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	3,898,308	5,302	5,302
2010	3,921,698	32,086	32,086
2011	3,945,228	51,302	51,302
2012	3,968,899	57,344	57,344

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$997,728	\$20,000	\$0	\$122,127	\$0	\$1,139,855
2010	\$196,631	\$49,440	\$2,691	\$31,197	\$11,211	\$291,170
2011	\$201,091	\$50,924	\$19,259	\$42,183	\$80,247	\$393,705
2012	\$205,653	\$30,596	\$19,490	\$40,434	\$81,210	\$377,383
TOTAL	\$1,601,103	\$150,960	\$41,440	\$235,941	\$172,669	\$2,202,113

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	238	238	0.2	0.2
2011	1,703	1,941	1.8	2.0
2012	1,724	3,665	1.8	3.8

Cost-effectiveness – include TRC for each program year and cumulative

The TRC for this program is calculated to be 0.5

Refer to Table 7A for TRC for each program year

Other information deemed appropriate

In an effort to enable all customer classes to gain added benefits, Allegheny Power will educate customers on the availability of incentives from other funding sources including, but not limited, to Federal Tax Credits for Energy Efficiency under the “Emergency Economic Stabilization Act of 2008” and/or Stimulus Funds under the “American Recovery and Reinvestment Act of 2009” as appropriate and as funding is available.³⁹

³⁹ Reference Additional Funding Table in Section 10.F.2.

b. COMMERCIAL PRODUCTS EFFICIENCY PROGRAM

Years during which program will be implemented

January 2010 through May 2013.

Objective(s)

The Commercial Products Efficiency Program encourages small and large, commercial and industrial and governmental/non-profit customers in Allegheny Power's Pennsylvania service territory to upgrade to state-of-the-art energy efficient lighting technologies.

Target market

The program will be targeted at small and large, commercial and industrial customers in the Allegheny Power's Pennsylvania service territory with building facilities.

Program description

The program provides rebates to Commercial & Industrial customers for installing:

- T8 lamps: Replacing T12 lamps
- T5 lights: Replacing high-intensity discharge high bay style lights
- Occupancy Sensors (wall-plate style sensors to replace conventional switches)
- Power Strips (controlling lights and appliances)
- LED Exit Signs: Replacing incandescent exit signs
- CFLs: Replacing incandescent bulbs and/or fixtures

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract implementation administration activities including coordination with lighting equipment distributors and installation contractors, marketing activities, rebate processing services provider contractor oversight, reporting, and program evaluation.

Allegheny Power will contract directly with rebate processing service providers.

Allegheny Power anticipates this program will be revised/expanded during the plan to include LED and other new lighting technologies, in conjunction with annual reviews in consideration of program performance, budget, cost effectiveness and savings opportunities.

Program issues and risks and risk management strategy

A significant risk to the program success is customers' access to capital to finance energy efficiency and conservation programs. The rebate level structure along with resources

available through state agencies and possible tax credits⁴⁰ along with emphasizing potential energy and maintenance savings are expected to mitigate this risk.

An additional risk is that programs may not be approved in time to align with commercial and industrial customers' budget cycles for 2010. Possible mitigation strategies include:

- Request phased review and approvals for those programs at risk due to budget planning cycles.
- Consider contacting eligible customers in advance of approvals to alert them of a possible program.

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy;
- Modify incentives; and
- Modify or eliminate measures being offered.

Another risk is the possibility of an increase in the federal energy efficiency standards for commercial lighting equipment resulting in reduced energy savings based on the current commercial lighting equipment measure requirements. If and when these standards change, commercial lighting equipment requirements and/or energy savings will be modified to reflect the energy efficiency standards of commercial lighting equipment available at that time. The program manager will be responsible for monitoring these changes and updating each measure as needed.

Anticipated costs to participating customers

- T8 \$200 / Fixture
- T5 \$200 / Fixture
- LED Exit \$65 / Sign
- Occupancy Sensors \$65 / Sensor
- CFL \$65 / Fixture

Ramp up strategy

Begin communicating program in the fourth quarter of 2009 so customers can plan and budget for projects in 2009. This program is expected to be at 'full launch' that is, offered to the entire target population on the launch date. AP will execute the launch in this manner since it will have had some experience in program management in another state prior to the Pennsylvania launch. It is assumed that the ramp up period for this program will occur in the 2009 and 2010 plan years. In the 2009 plan year, the participation rates are projected to be 25% of future year levels. In the 2010 plan year, the participation rates are projected to be 60% of future year levels.

⁴⁰ Reference Additional Funding Table in Section 10.F.2.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits through bill inserts, direct mail, Allegheny Power website, trade shows, the business customer newsletter, and key account managers. Allegheny Power will work with lighting contractors to market lighting products with higher efficiency.

Marketing activities will include leveraging and promoting federal and state funding opportunities (stimulus dollars, tax incentives, grants, etc.) that may be associated with this program.⁴¹

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (% of Incremental \$)
T8s	\$/kWh based on the magnitude of savings	
T5s		
CFL's		
Occupancy Sensors (Wall Plate Type)	\$25	32%
Occupancy Sensors (Power Strip Type)	\$10	33%
LED Exit Signs	\$15	47%

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.

- Program Marketing: Begin in early 4th quarter 2009 so that projects can be added to customers' 2010 budget.⁴²
- Implementation: Award vendor contracts fourth quarter 2009
- Program Start Date: January 2010
- Program End Date: May 31, 2013⁴³

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.⁴⁴

⁴¹ Reference Additional Funding Table in Section 10.F.2.

⁴² Discussions with customers are expected to begin prior to plan approval, but with caveat that program is contingent upon PUC approval of EEC and DR Plan.

⁴³ All projects accepted must be completed by May 31, 2013. This assumes Plan will end May 31, 2013.

⁴⁴ Reference Section 6.1.2 for details of Level 1 EM&V.

All rebate applications will be reviewed upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample of all rebate applications, based on 90% confidence level and a plus-or-minus 5% margin of error, will be selected for survey.

Information that will be collected for EM&V purposes will include the quantity of the measure installed, nameplate data from the existing model, the capacity (size) of the existing model, the nameplate data for the new model and the capacity (size) of the new model.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management will require 0.25 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	10,701,703	506	16,596
2010	10,747,411	42,314	196,449
2011	10,662,724	59,018	283,635
2012	10,506,350	25,290	264,196

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$988,621	\$50,000	\$3,037	\$65,994	\$278,221	\$1,385,874
2010	\$196,631	\$148,320	\$253,887	\$178,688	\$2,969,881	\$3,747,407
2011	\$201,091	\$152,772	\$354,109	\$190,427	\$4,328,469	\$5,226,870
2012	\$205,653	\$91,788	\$151,742	\$176,944	\$4,314,471	\$4,940,597
TOTAL	\$1,591,997	\$442,880	\$762,776	\$612,053	\$11,891,042	\$15,300,747

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	5,973	5,973	1.2	1.2
2010	64,740	70,713	13.2	14.4
2011	93,777	164,490	18.9	33.3
2012	92,347	256,837	18.3	51.6

Cost-effectiveness – include TRC for each program year and cumulative

The Commercial Lighting Program’s TRC is 6.2

Refer to Table 7A for TRC for each program year

Other information deemed appropriate

Allegheny Power will access and educate customers on the availability of incentives from available funding sources including, but not limited, to Federal Tax Credits for Energy Efficiency under the “Emergency Economic Stabilization Act of 2008” and/or Stimulus Funds under the “American Recovery and Reinvestment Act of 2009” as appropriate, and as funding becomes available.⁴⁵

⁴⁵ Reference Additional Funding Table in Section 10.F.2.

c. CUSTOM TECHNOLOGY APPLICATIONS PROGRAM

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

The program encourages energy and demand reductions in small and large, commercial and industrial, and governmental/non-profit customers. The program will focus on improving the energy efficiency for specific process and applications, such as: lighting systems,⁴⁶ compressed air, chillers, refrigeration, variable speed drives, motors, energy management systems, fan and pump systems, renewable energy, LED, and combined heat-power systems.

Target market

The program will be targeted at small and large, commercial and industrial, and governmental/non-profit customers in the Allegheny Power's Pennsylvania service territory, with usage between 1 million up to 2.5 million kWh's per year.

Program description

The Custom Technology Applications Program is focused on reducing energy & demand in the small and large, commercial and industrial and governmental/non-profit customers with usage of 1 million - 2.5 million kWh/year. The program will focus on improving the energy efficiency for specific processes and applications identified and verified through an onsite energy audit. Applications such as lighting systems, compressed air, chillers, refrigeration, variable speed drives, motors, energy management systems, fan/pumps systems, renewable energy and combined heat-power systems will be considered. The customer will directly contract with a third party provider to identify the energy efficiency and conservation opportunities. The customer will submit these opportunities/projects to Allegheny Power for review and approval. Allegheny Power will provide incentives to the customer up to 25% of the capital investment, up to \$100,000.00 of the project, to obtain the energy and demand savings. Allegheny Power has also capped the annual program incentive budget at approximately \$1.5 Million in an effort to control plan costs.

The program will also encourage government customers to pursue whole facility energy savings opportunities by providing an incentive for the completion of a qualified energy audit and an increased incentive to the selected projects under the program for the governmental customers to be eligible to participate in the Guaranteed Energy Savings Agreements ("GESA") and other funding sources for whole facility projects.

There are no specific limitations for eligible measures, other than that they must be electro-technology based and each measure must be individually cost effective. The following measures are the most commonly applied in industrial/commercial facilities:

⁴⁶ For applications beyond Commercial Lighting/Products Efficiency Program.

- Lighting systems
- Compressed air
- Chillers
- Refrigeration
- Variable speed drives
- Motors
- Energy management systems
- Fan/pumps systems
- Combined heat-power systems.

The comprehensive audit and report are required to include the Energy Star Portfolio Manager to assess building quartile ranking. The results must be submitted to Allegheny Power as verification that the EE&C project is justified. Building already in the top quartile will not qualify for the incentive. The eligible measures are all existing Allegheny Power Commercial programs for which the customer qualifies plus custom EE&C.

Projects will be awarded based on kWh savings.

Future enhancements include providing governmental audits and audit rebates.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will review the proposals and use a selective evaluation process to maximize the energy savings investment under the program. Allegheny Power will screen the projects based on, but not limited to, a TRC test to determine which projects and/or sub-measures are cost effective. Allegheny Power will then use a ranking methodology and financial analyses to determine which projects provide the best energy savings return on investment. To verify which projects are technically viable, Allegheny Power will rely on auditing partners to perform the energy audits and studies on the selected projects. The project review process will be iterative until the targeted kWh reductions are reached or the yearly capital incentive cap has been reached.

Program issues and risks and risk management strategy

A significant risk to the program success is customers' access to capital to finance energy efficiency and conservation programs. With the capital incentive, or up to 25% of the project cost, the Company believes that these projects will be very attractive due to the short payback period plus the reduction in operating costs because of the lower energy usage.

The program will be reviewed to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Increase and/or modify marketing strategy;
- Increase award structures if TRC test and EE&C Plan budget justify; and
- Eliminate the program.

An additional risk is that programs may not be approved in time to align with commercial and industrial customers' budget cycles for 2010. Possible mitigation strategies include:

- Request phased review and approvals for those programs at risk due to budget planning cycles; and
- Consider contacting eligible customers in advance of approvals to alert them of a possible program

Anticipated costs to participating customers

An EE&C comprehensive commercial audit costs approximately \$.10-.50/SF of the building, and the additional anticipated cost would be 75% of capital cost of project.

Ramp up strategy

As shown by the incentive strategy above, the program will be more heavily weighted with incentives in the early years to attract end-users with larger projects that will capture larger energy savings opportunities. Given the nature of capital budgeting cycles, Allegheny Power expects that it will also take several budgeting cycles to get these projects into the customer's capital construction budgets. All customers will be eligible to participate in the program in each year of the Plan.⁴⁷

Marketing strategy

This program will be offered directly to a customer by soliciting proposals that will provide energy and demand savings by improving specific electrical processes or applications.

Marketing activities will include leveraging and promoting federal and state funding opportunities (stimulus dollars, tax incentives, grants, etc.) that may be associated with this program.⁴⁸

Allegheny Power's Account Management staff and direct mail information will be used to contact these commercial and industrial customers.

Allegheny Power will promote a whole building approach to energy conservation for government entities by offering increased incentives for select projects and measures under the Custom Technology Applications Program to those government entities that have undergone building energy audits. This program will provide information on the benefits of guaranteed energy savings contracts to government entities and will be promoted to all consumers in the sector. The program will be targeted to the highest energy users in this sector.

⁴⁷ Customers may participate in multiple years if their proposals are accepted based on screening criteria.

⁴⁸ Reference Additional Funding Table in Section 10.F.2.

Eligible measures and incentive strategy include tables for each year of program, as appropriate showing financial incentives & rebate levels

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
Custom Technology Application Program	25% up to \$100,000	

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.

- Program Marketing: Begin discussions with key customers early 4th quarter 2009 so that projects can be added to customers’ 2010 budget⁴⁹
- Program Start Date: January 2010
- Project Proposals Awarded: December of each year
- Program End Date: May 31, 2013⁵⁰

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 2 EM&V category.⁵¹

It is assumed that most changes and/or improvements to processes and applications resulting in energy efficiency improvements will require system level spot or short-term measurements. Because of the overall size of customers’ usage in industrial/commercial facilities, utility billing records may not provide discrete results to verify the improvement in energy efficiency. Depending on type of process of application that is being modified, baseline measurements may also be required to determine existing loading, usage, or time of operation levels. If the customer uses the energy savings to fund the project, before and after type measurement will be required as a part of the EM&V process. These evaluations would be considered in the application of all measures.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company’s EM&V contractor.

⁴⁹ Discussions with customers are expected to begin prior to plan approval, but with caveat that program is contingent upon PUC approval of EEC and DR Plan.

⁵⁰ All projects accepted must be completed by May 31, 2013. This assumes Plan will end May 31, 2013.

⁵¹ Reference Section 6.1.2. for details of Level 2 EM&V.

Administrative requirements – include utility staffing levels

This program would be managed and administered by Allegheny Power. Based on the evaluation process, contract administration, and utility accounting needs, Allegheny Power estimates 0.5 FTE will be required to administer the program. Allegheny’s existing Account Management staff will be also be utilized to support the program.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	82,227	0	0
2010	83,214	25	25
2011	84,212	32	32
2012	85,223	32	32

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$997,728	\$2,500	\$0	\$40,458	\$0	\$1,040,686
2010	\$196,631	\$12,360	\$324,534	\$27,785	\$1,248,206	\$1,809,516
2011	\$201,091	\$12,730	\$410,535	\$34,351	\$1,578,981	\$2,237,688
2012	\$205,653	\$7,650	\$415,461	\$35,100	\$1,597,929	\$2,261,793
TOTAL	\$1,601,103	\$35,240	\$1,150,530	\$137,693	\$4,425,116	\$7,349,682

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	5,826	5,826	1.0	1.0
2011	7,370	13,197	1.3	2.3
2012	6,713	19,910	1.2	3.5

Cost-effectiveness – include TRC for each program year and cumulative

The Custom Technology Applications Program's TRC is 4.6

Refer to Table 7A for TRC for each program year

Other information deemed appropriate

Allegheny Power will access and educate customers on the availability of incentives from available funding sources including, but not limited, to Federal Tax Credits for Energy Efficiency under the "Emergency Economic Stabilization Act of 2008" and/or Stimulus Funds under the "American Recovery and Reinvestment Act of 2009" as appropriate, and as funding becomes available.⁵²

⁵² Reference Additional Funding Table in Section 10.F.2.

d. TIME OF USE (TOU) WITH CRITICAL PEAK PRICING RATE

Years during which program will be implemented

January 1, 2011 through May 2013

Objective(s)

This rate offering encourages small commercial and industrial and governmental/non-profit customers to lower demand and energy consumption during peak load hours.

Target market

This rate offering targets Allegheny Power's small commercial and industrial and governmental/non-profit customers under 500 kW in Allegheny Power's Pennsylvania service area receiving default service, in conjunction with the installation of smart meters.

Program description

TOU rates reflect the cost of serving customers during different time periods, but do not change as frequently as hourly. TOU encourages commercial, industrial, government, school, and non-profit customers under 500 kW to lower their demand and energy consumption during on-peak periods by charging a higher price that reflects the higher cost of serving customers, and charging lower prices during off-peak periods that reflects the lower cost of serving customers. TOU also includes critical peak pricing that is designed to address the short-term need to reduce demand at the time of the system peak by charging prices significantly higher than on-peak periods. Critical peak pricing periods will vary in frequency and duration using predefined or notified peak hours, but will balance the need to keep the period as short as possible to effectively allow customers to reduce demand or shift usage to lower cost periods. TOU is voluntary and is only available to customers that are receiving utility-provided default service. TOU relies on a smart meter to measure the customer's demand and energy usage during the various TOU periods.

Implementation Strategy

This rate offering requires the installation of a smart meter to collect the customer's hourly energy consumption.

Program issues and risks and risk management strategy

This rate offering is most effective when coupled with Smart Meters that provides customers with information about current and past energy consumption. The rate offering is at risk if the Company does not receive timely approval of the SMIP.

Achieving estimated participation rates is a program risk. The rate offering will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the Company will modify the marketing strategy.

Anticipated costs to participating customers

There are no customer costs to participate.

Ramp up strategy

The implementation timeline for this program will align with the smart metering infrastructure plan. See **Program start date with key schedule milestones** below for rollout.

Marketing strategy

Marketing activities will target eligible customers to inform them of the rate offering, its components, and the associated benefits primarily through bill inserts, direct mail, print and radio advertising, and in-bound call center contact.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

The incentive for this rate offering will be included within the rate.

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
Time of Use with Critical Peak Pricing	N/A	N/A

Program start date with key schedule milestones

2010

January – December

Rate tariff development and filing

Marketing plan development

2011

Smart meter installations as per SMIP

2012

Smart meter installations as per SMIP

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 2 EM&V category.⁵³

It is expected that the smart meters will provide the method for EM&V of this rate.

Allegheny Power will file with the Commission for approval of program modifications if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company’s EM&V contractor.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management of all demand response rate offerings will require 1.0 FTE.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	82,227	0	0
2010	83,214	0	0
2011	83,214	1,498	1,498
2012	83,214	2,496	2,496

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$0	\$0	\$0	\$0	\$0	\$0
2010	\$178,174	\$5,000	\$0	\$14,654	\$0	\$197,828
2011	\$182,215	\$5,000	\$0	\$20,969	\$74,892	\$283,076
2012	\$186,348	\$1,000	\$0	\$24,974	\$124,821	\$337,143
TOTAL	\$546,738	\$11,000	\$0	\$60,596	\$199,713	\$818,047

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

⁵³ Reference Section 6.1.2. for details of Level 2 EM&V.

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	0	0	0.0	0.0
2011	2,467	2,467	4.5	4.5
2012	4,112	4,112	7.4	7.4

Cost-effectiveness – include TRC for each program year and cumulative

The cumulative TRC for this program is calculated to be 1.1

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

TOU is offered as an optional service and does not replace the default service program approved by Commission order entered July 25, 2008 at Docket No. P-00072342.

e. CUSTOMER LOAD RESPONSE PROGRAM

This program is the same as that listed under Commercial/Industrial Large Sector section.

f. CUSTOMER RESOURCES DEMAND RESPONSE PROGRAM

This program is the same as that listed under Commercial/Industrial Large Sector section.

g. DISTRIBUTED GENERATION PROGRAM

This program is the same as that listed under Commercial/Industrial Large Sector section.

3.4. Commercial/Industrial Large Sector (as defined by EDC Tariff) Programs

a. CUSTOM APPLICATION PROGRAM

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

The program encourages energy and demand reductions with large commercial and industrial customers. The program will focus on improving the energy efficiency for specific process and applications, such as: lighting systems,⁵⁴ compressed air, chillers, refrigeration, variable speed drives, motors, energy management systems, fan and pump systems, and combined heat-power systems.

Target market

The program will be targeted at approximately 550 large commercial and industrial customers in the Allegheny Power's Pennsylvania service territory, with usage of at least 2.5 million kWhs per year.

Program description

The program provides up to \$10,000 for a targeted energy audit.⁵⁵ To further entice the customer to complete the physical installation of the energy saving measure(s) as recommended by the targeted energy audit, Allegheny Power will provide a capital contribution incentive of up to 50% of the customer's project cost, with a per project cap of \$500,000. The maximum award expenditure for Allegheny Power under the program will be as follows:

- 2010: \$2,400,000
- 2011: \$3,000,000
- 2012: \$3,000,000

Projects will be awarded based on kWh savings.

There are no specific limitations for eligible measures, other than that they must be electro-technology based. The following measures are the most commonly applied in industrial/commercial facilities:

- Lighting systems
- Compressed air
- Chillers
- Refrigeration
- Variable speed drives

⁵⁴ For applications beyond Commercial Lighting/Products Efficiency Program.

⁵⁵ Targeted energy audits focus on specific commercial and industrial processes and related equipment.

- Motors
- Energy management systems
- Fan/pumps systems
- Combined heat-power systems

Individual measures eligible for the custom program were not evaluated to estimate program savings. Rather, the program was evaluated at the customer level to estimate savings and it is assumed that each participating customer has the potential for a 10% reduction in energy usage.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract with an energy services company experienced in performing comprehensive large commercial and industrial audits to provide audits and energy usage studies.

Allegheny Power will review the proposals and use a selective evaluation process to maximize the energy savings investment under the program. Allegheny Power will screen the projects based on, but not limited to, a TRC test to determine which projects and/or sub-measures are cost effective. Allegheny Power will then use a ranking methodology and financial analyses to determine which projects provide the best energy savings return on investment. To verify which projects are technically viable, Allegheny Power will rely on auditing partners to perform the energy audits and studies on the selected projects. The project review process will be iterative until the targeted MWh reductions are reached or the yearly capital incentive cap has been reached.

Program issues and risks and risk management strategy

A significant risk to the program success is customers' access to capital to finance energy efficiency and conservation programs. With the capital incentive, or up to 50% of the project cost, we believe that these projects will be very attractive due to the short payback period plus the reduction in operating costs because of the lower energy usage.

The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Increase and/or modify marketing strategy;
- Increase award structures if TRC test and EE&C Plan budget justify; and
- Eliminate the program.

An additional risk is that programs may not be approved in time to align with commercial and industrial customers' budget cycles for 2010. Possible mitigation strategies include:

- Request phased review and approvals for those programs at risk due to budget planning cycles.
- Consider contacting eligible customers in advance of approvals to alert them of a possible program.

Anticipated costs to participating customers

Allegheny Power will provide a large capital incentive, up to 50% of the project cost with a per project cap of \$500,000, so that customer will implement an energy savings project. The customer will have to provide the remaining capital to install the project.

Ramp up strategy

As shown by the incentive strategy above, the program will be more heavily weighted with incentives in the early years to attract end-users with larger projects that will capture larger energy savings opportunities. Given the nature of capital budgeting cycles, Allegheny Power expects that it will also take several budgeting cycles to get these projects into the customer’s capital construction budgets. All customers will be eligible to participate in the program in each year of the Plan.⁵⁶

Marketing strategy

This program will be offered directly to a customer by soliciting proposals that will provide energy and demand savings by improving specific electrical processes or applications.

Marketing activities will include leveraging and promoting federal and state funding opportunities (stimulus dollars, tax incentives, grants, etc.) that may be associated with this program.⁵⁷

Allegheny Power will begin marketing the program late in 2009 by contacting the top industrial customers by usage.⁵⁸ Allegheny Power’s Account Management staff and direct mail information will be used to contact these commercial and industrial customers.

Eligible measures and incentive strategy include tables for each year of program, as appropriate showing financial incentives & rebate levels

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
Commercial & Industrial Custom Applications Program	50% up to \$500,000	

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.

- Program Marketing: Begin discussions with key customers early 4th quarter 2009 so that projects can be added to customers’ 2010 budget.⁵⁹

⁵⁶ Customers may participate in multiple years if their proposals are accepted based on screening criteria.

⁵⁷ Reference Additional Funding Table in Section 10.F.2.

⁵⁸ Top 180 electric usage customers are expected to provide the greatest opportunity for savings and therefore are targeted first.

- Program Start Date: January 1, 2010
- Project Proposals Awarded: December of each year
- Program End Date: May 31, 2013⁶⁰

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 2 EM&V category.⁶¹

It is assumed that most changes and/or improvements to processes and applications resulting in energy efficiency improvements will require system level spot or short-term measurements. Because of the overall size of the customer's usage in industrial/commercial facilities, utility billing records may not provide discrete results to verify the improvement in energy efficiency. Depending on type of process of application that is being modified, baseline measurements may also be required to determine existing loading, usage, or time of operation levels. If the customer uses the energy savings to fund the project, before and after type measurement will be required as a part of a contract with an Energy Service Company (ESCO). These evaluations would be considered in the application of all measures.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor.

Administrative requirements – include utility staffing levels

This program would be managed and administered by Allegheny Power. Based on the evaluation process, contract administration, and utility accounting needs, Allegheny Power estimates 0.5 FTE will be required to administer the program. Allegheny's Account Management staff will be also be utilized to support the program.

⁵⁹ Discussions with customers are expected to begin prior to plan approval, but with caveat that program is contingent upon PUC approval of EEC and DR Plan.

⁶⁰ All projects accepted must be completed by May 31, 2013. This assumes Plan will end May 31, 2013.

⁶¹ Reference Section 6.1.2. for details of Level 2 EM&V.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	550	0	0
2010	550	8	8
2011	550	10	10
2012	550	10	10

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$992,088	\$5,000	\$0	\$39,884	\$0	\$1,036,972
2010	\$178,174	\$18,540	\$106,667	\$108,135	\$2,400,000	\$2,811,516
2011	\$182,215	\$19,097	\$133,333	\$133,386	\$3,000,000	\$3,468,031
2012	\$186,348	\$11,474	\$133,333	\$133,246	\$3,000,000	\$3,464,401
TOTAL	\$1,538,826	\$54,110	\$373,333	\$414,651	\$8,400,000	\$10,780,920

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	29,635	29,635	5.8	5.8
2011	29,678	59,313	5.8	11.6
2012	14,947	74,261	2.9	14.6

Cost-effectiveness – include TRC for each program year and cumulative

The cumulative TRC for this program is calculated TBD.

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

b. CUSTOMER LOAD RESPONSE PROGRAM

Years during which program will be implemented

January 2011 through May, 2013

Objective(s)

The program is focused on reducing demand in the small and large, commercial and industrial, and governmental/non-profit customer sectors. Under this program, Allegheny Power will contract with customers to implement load curtailments during peak load periods. By controlling the demand for energy during the peak periods, load resources can become an integral part of managing the overall supply of energy to the system. A customer who participates in capacity and/or energy markets will also realize savings in the form of reduced capacity and energy costs.

Target market

The program will initially target small and large, commercial and industrial, and governmental/non-profit customers in the Allegheny Power Pennsylvania service territory, with demand of at least 300 kW or greater. This program will be expanded to other small commercial and industrial, and governmental/non-profit customers in conjunction with implementation of Smart Metering infrastructure.

Program description

Allegheny Power will assist customers by providing load management services by actively educating and providing assistance with the transition to market prices, load shaping and participation in PJM energy and capacity markets. Contracting with customers for load reduction as well as assisting customers with entry into the real time energy markets will help control the demand during peak hours. A customer who participates in this program will receive incentives based on their actual hourly load reduction from their calculated baseline during events called by Allegheny for the top 100 hours of load. Customers will have flexibility in selecting how many hours that they can participate with 50 hours being typical. Since Allegheny Power is also functioning as a "curtailment service provider" in the PJM Load Management Programs, customers will receive additional benefits by having Allegheny Power bid their load resources into the PJM load response programs. Allegheny Power plans to leverage available PJM programs to provide benefits to participants and limiting program expenses recovered through the EE&C surcharge. See Appendix F.5 for additional information.

Implementation Strategy

Allegheny Power will provide all technical assistance, project management and marketing activities to support the program. Allegheny Power will also be responsible for all marketing materials, contract preparation, load curtailment, and reconciliation services. Allegheny is already registered as a curtailment service provider under the PJM Load Management Programs. As part of this program, Allegheny Power (directly or through contracted services) will develop the necessary online user tools for customers: customer

signup, download data for load profiling or historical energy usage, model load modification schemes and review load curtailment events.

Allegheny Power has employed a Conservation Service Provider (CSP) to perform a market assessment of the demand response potential in Allegheny Power's commercial, industrial and government customer base. This study will focus on identifying a controllable load reduction and assigning confidence levels. As part of this study, the vendor will review the impact of the discontinuation of the PJM Interruptible Load Response program in 2012.

Program issues and risks and risk management strategy

Customer participation rates and effectively dispatched demand response events will drive the results of the program. The use of real time or advanced metering will also influence the results of the program. Allegheny Power will leverage this technology in order to improve the performance of customers during the dispatched events.

The recent PJM Base Residual Auction for 2012/2013 also introduces a hurdle in that the value of capacity in the Allegheny Power zone cleared at approximately 10% of the net cost of new entry. In the past, participating customers have realized tremendous value in PJM's Interruptible Load Response (ILR) programs without having to frequently reduce load. Customers making the transition to Allegheny Power's Demand Response (DR) program for delivery year 2012/2013 will be required to control load over numerous events, and up to 100 hours per year. Customer fatigue and dropout will be closely managed.

Anticipated costs to participating customers

Prior to the installation of Smart Metering Infrastructure, Allegheny Power will provide interval metering data via our Energy Data Services ("EDS") at no cost to any customer whose load is participating in this program. Interval data through EDS can be provided monthly or daily in an excel spreadsheet format. For EDS daily data, the data file is made available the next day.

Until Allegheny Power's smart metering infrastructure is deployed and functional at the customer's facility, Allegheny will target customers with a demand greater than 300 kW who have interval metering to participate in this demand response program. In cases where customer requests the installation of a KYZ pulse contact, the customer cost for the installation of this additional equipment is \$650 (\$500 for KYZ pulse installation, \$150 for time synchronization).

Ramp up strategy

Account Managers and Business Account Specialists will roll-out the program using direct contacts with eligible customers in 4th Quarter 2010.

Marketing strategy

The customers will be targeted several ways:

Assigned accounts: Account Managers proactively handle approximately 130 of the top energy users that would be eligible for the program. They will personally contact their assigned customers to educate them about this program and the companion Customer Resources Demand Response Program that will be administered by 3rd party PJM Curtailment Service Providers. We will follow up with a direct mail piece to encourage participation and provide more program details, inclusive of both this program and the companion Customer Resources Demand Response Program, and provide information on PJM Curtailment Service Providers who provide load curtailment services.

Non-assigned accounts: These accounts are managed by Business Account Specialists in Allegheny's call center. Direct mail will be sent to these customers with program details and contact information. The direct mail information will include information on both this program and the Customer Resources Demand Response Program that will be administered by 3rd party PJM Curtailment Service Providers who provide load curtailment services. As a follow up to both audiences, an email will be sent to reinforce the program details, inclusive of both this program and the Customer Resources Demand Response Program. A link to Allegheny's web site will allow customers to access more program details and information.

Sales/marketing/educational materials will be developed for the Account Managers and Business Account Specialists to provide to customers, which will include details on all curtailment type programs including the Customer Load Response, Customer Resources Demand Response and the Distributed Generation programs. All marketing materials will equally promote all demand response programs and encourage customers to select a PJM CSP who can best address their needs. The materials will also include a listing of PJM CSPs who provide load curtailment services.

Allegheny Power also plans to host an annual seminar and invite customers, PJM CSPs and stakeholders to participate. The seminar will focus on providing customers with information on the Customer Load Response, Customer Resources Demand Response and Distributed Generation Programs. The PJM CSPs will be invited to present information and setup vendor tables. See Appendix F.5 for additional information.

Eligible measures and incentive strategy

The customer incentive for this program will be based on the customer's actual measured load reduction from the customer's calculated Customer Baseline during called event periods and a customer incentive rate that will be established based on the results of the load nominations by PJM CSPs for the Customer Resources Demand Response Program (refer to Customer Resources Demand Response Program). Allegheny will calculate the customer incentive rate on a \$\$ per MWh basis based on the weighted average of all contracted load nominations for the Customer Resources Demand Response Program, reduced by an Allegheny Power administration adjustment to account for the differences in

program administration between this program and the Customer Resources Demand Response Program. See Appendices F.5, F.6 and F.7 for additional information.

Eligible Program Measures & Incentives			
MEASURE		REBATE (\$)	REBATE LEVEL (%)
Customer Load Response Program			\$/MWhr based on weighted average of nominations by PJM CSPs under Customer Resources Demand Response Program less administration adjustment

Program start date with key schedule milestones

- Complete 2011 Market Assessment Study: Fourth quarter 2010
- Complete 2012 Market Assessment Study: Fourth quarter 2011
- Program Marketing: Fourth quarter 2010
- Program Start Date: January 1, 2011
- Program End Date: May 31, 2013⁶²

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 2 EM&V category.⁶³

It is expected that the smart metering infrastructure will provide the method for EM&V of this rate.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company’s EM&V contractor.

Administrative requirements – include utility staffing levels

This program would be managed and administered by Allegheny Power. Based on the customer education and assistance requirements, contract administration, and utility accounting needs, Allegheny Power estimates 3.0 FTEs will be required to administer the program. The following provides the administration requirements to support the program.

Program Manager - 0.75 FTE’s

⁶² All projects accepted must be completed by May 31, 2013. This assumes Plan will end May 31, 2013.

⁶³ Reference Section 6.1.2. for details of Level 2 EM&V.

The program manager will handle contract administration, provide program over-site and monitoring, complete financial and program reporting, and event reconciliation, and develop marketing activities, training and educational materials.

Account Manager/Business Account Specialists – 1.5 FTE’s

The Account Manager/Business Account Specialist provides marketing, customer education, enrollment and training, and handles other program related customer service activities.

Technician - 0.75 FTE’s

The technician will enroll customer load in the PJM markets, perform event reconciliation calculations, and support all program reporting requirements.

See Appendices F.5 and F.8 for additional information.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	0	0	0
2010	3,000	0	0
2011	3,000	42	42
2012	3,000	42	42

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$428,112	\$0	\$0	\$0	\$0	\$428,112
2010	\$329,480	\$6,035	\$0	\$0	\$0	\$335,515
2011	\$342,204	\$6,035	\$0	\$25,549	\$162,750	\$536,538
2012	\$349,847	\$0	\$0	\$54,767	\$745,500	\$1,150,114
TOTAL	\$1,449,643	\$12,070	\$0	\$80,317	\$908,250	\$2,450,280

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	0	0	0.0	0.0
2011	1,050	1,050	21.0	21.0
2012	2,100	2,100	21.0	21.0

Cost-effectiveness – include TRC for each program year and cumulative

The cumulative TRC for this program is calculated to be 0.5
Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

Allegheny Power has employed a Conservation Service Provider (CSP) to perform a market assessment of the demand response potential in Allegheny Power's commercial, industrial and government customer base. The results of this study may impact the participation, budget and savings targets projected for this program.

c. CUSTOMER RESOURCES DEMAND RESPONSE PROGRAM

Years during which program will be implemented

January 2011 through May 2013

Objective(s)

The program is focused on reducing demand in the small and large, commercial and industrial, and governmental/non-profit customer sectors, by deploying customer load resources from load curtailment strategies provided by PJM Curtailment Service Providers or Customer Curtailment Service Providers (CSPs). Allegheny Power will contract with one or more PJM CSPs who will develop a portfolio of callable load response resources that will be dispatched for demand response activities during Allegheny Power's 100 hours of highest demand. The PJM CSP customers will have flexibility in selecting how many hours that they can participate, based on their contract with their CSP. Contracted load resources provide a multitude of utility and customer benefits, including: reduces peak demand, and improved grid reliability.

Target market

Contracts for load resources will be initially targeted at existing small and large, commercial and industrial, and governmental/non-profit customers with a demand of at least 300 kW or greater. The program will be expanded to customers less than 300 kW in conjunction with the deployment of smart metering infrastructure that will provide the required metering and communications network for these customers to participate. PJM CSPs may also enroll customers with a demand less than 300 kW where a measurement and verification protocol is approved by Allegheny Power in advance of program enrollment.

Program description

Under the program, PJM CSPs will provide services to register and dispatch customer curtailable load during targeted hours of Allegheny Power's 100 hours of highest demand. Allegheny Power will contract with PJM CSPs to deliver an amount of curtailable load. The PJM CSPs will structure individual contracts with customers to respond to curtailment event notices issued by Allegheny Power to the customer's CSP. PJM CSPs and customers will have flexibility in selecting how many hours that they can participate with 50 hours being typical.

Allegheny Power will pay the PJM CSPs based on the actual load reduction that occurred during the curtailment events, based on the contracted rate established through the nomination process. A customer who participates in this program will be provided an incentive by their CSP according to the CSPs contract with the customer for each hour the customer's load is dispatched under this program. All payments to the customer will be from the customer's CSP. In order for the customer to realize the maximum benefits from participating in Allegheny Power's demand response programs, the customer's CSP must also register the customer's load in the available PJM load response programs. The customer can choose any registered CSP and Allegheny will provide potential customers

with a list of the PJM CSPs that can register their load in the PJM markets. To assist with marketing and customer recruitment, Allegheny will provide a list of the customers that are eligible for this program to PJM CSPs.

The wholesale electricity market prices vary each hour as the supply and demand of energy changes. By controlling the demand for electricity during the highest demand periods, customer load resources can become an integral part of managing the overall delivery of energy on the system. In addition to the incentives paid under this program, a customer who participates in load management activities by curtailing load can also realize savings in the form of reduced capacity and energy costs. See Appendix F.5 for additional information.

Program Issues and Risks and Risk Management Strategy

The PJM Base Residual Auction for 2012/2013 introduces a hurdle in that the value of the capacity in Allegheny Power's zone cleared at approximately 10% of the new cost of new entry. In the past, participating customers have realized substantial value in PJM's Interruptible Load Response (ILR) programs without having to frequently reduce load. Customers making the transition to Allegheny Power's demand response programs will be required to control load over numerous events, and up to 100 hours per year. Customer fatigue and dropout will be closely managed.

Implementation strategy

Allegheny Power believes that it will be difficult to obtain customer interest in a callable demand response program that requires customers to participate for up to 100 hours. To mitigate customer impact and fatigue, CSPs will be responsible to manage their customer portfolios to deliver the contracted load resources to provide the contracted MWh reduction during Allegheny's 100 hours of highest demand.

Each program year, Allegheny Power will solicit nominations from Curtailment Service Providers who are in good standing with PJM for the customer load resources to fulfill Allegheny Power's program requirements from the small and large, commercial and industrial, and governmental/non-profit customer sectors. Existing Curtailment Service Providers that have Allegheny Power customer load resources under contract in our Pennsylvania service territory can contract those resources to respond to Allegheny Power's callable demand response events that will contribute to meeting the demand reduction goals for Allegheny Power. All nominations into the program will be evaluated based on customer sector, nominated load and price (based on \$\$ per MWh). Allegheny Power will contract with the PJM CSPs for the amount of load resources to fulfill Allegheny Power's program requirements. See Appendix F.5 for additional information.

Anticipated costs to participating customers

Prior to the installation of Smart Metering Infrastructure, Allegheny Power will provide interval metering data via our Energy Data Services (“EDS”) at no cost to any customer whose load is participating in this program. Interval data through EDS can be provided monthly or daily in an excel spreadsheet format. For EDS daily data, the data file is made available the next day.

Until Allegheny Power’s smart metering infrastructure is deployed and functional at the customer’s facility, Allegheny will target customers with a demand greater than 300 kW who have interval metering to participate in this demand response program. In cases where PJM Curtailment Service Provider’s request the installation of a KYZ pulse contact for use with the Curtailment Service Provider’s telemetry system, the customer cost for the installation of this additional equipment is \$650 (\$500 for KYZ pulse installation, \$150 for time synchronization).

Ramp up strategy

In order for customers to become accustomed to performing in callable demand response events and for Allegheny Power to assess program performance, Allegheny Power will contract for approximately 40 MW for the 2011/2012 delivery year. This will allow for customer recruitment activities and to assess performance of Allegheny Power’s EE&C and DR Plan in order to establish the final program parameters and targets for the 2012/2013 delivery year. At the end of each program delivery year, Allegheny Power will issue a forecast for the contracted load that is projected for the 2012/2013 delivery year.

Marketing strategy

For load resources that will be contracted from Curtailment Service Providers, we anticipate some marketing efforts from the Curtailment Service Provider’s because they have contracts with customers who are currently participating in the PJM load response programs. Allegheny will also provide a list of eligible customers to the contracted PJM CSPs for their use in direct marketing to attract additional or new customers. The customer list will provide sufficient data for CSPs to initiate customer contact and marketing activities.

Account Managers and Business Account Specialists will provide customers with information on the Customer Resources Demand Response Program. To attract new load resources into the Customer Resources Demand Response Program, Allegheny will develop sales/marketing/educational materials and will assist the PJM CSPs with recruiting potential customers. The materials will provide details on all curtailment type programs including the Customer Load Response, Customer Resources Demand Response and the Distributed Generation Programs. All marketing materials will equally promote all demand response programs and will encourage customers to select a PJM CSP who can best address their needs. The materials will also include a listing of PJM CSPs who provide load curtailment services.

Allegheny Power also plans to host an annual seminar and invite customers, PJM CSPs and stakeholders to participate. The seminar will focus on providing customers with information for the Customer Load Response, Customer Resources Demand Response and Distributed Generation Programs. The PJM CSP(s) will be invited to present information and setup vendor tables. See Appendices F.5 and F.8 for additional information.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

All incentives paid by Allegheny Power under this program will be made to the PJM CSPs. Allegheny Power's payment to the PJM CSPs for load curtailment will be based on the actual measured load reduction from the customer baseline for each hour of the load curtailment event. A customer who participates in this program will be provided an incentive by their CSP according to the CSP's contract with the customer for each hour the customer's load is dispatched under this program.

PJM CSPs contracted under this program will be subject to an under performance penalty of 150% for hourly shortfalls relative to the contracted load reduction. For example: If a CSP nominates 1,000 MWhs at \$400/MWh into the program and only delivers 950 MWhs, the penalty will be 50 MWhs x \$400/MWh x 1.5

PJM CSPs will also be rewarded for over-performance relative to the contracted load reduction and nominated rate. The maximum contract over-performance will be capped at 10% of the total contract. See Appendices F.5 and F.6 for additional information.

Eligible Program Measures & Incentives				
MEASURE			REBATE (\$)	REBATE LEVEL (%)
Customer Resources Demand Response			Per CSP Contract	

Program start date with key schedule milestones

- Program Marketing: Fourth Quarter 2010
- Program Start Date: January 1, 2011
- Program End Date: May 31, 2013⁶⁴

⁶⁴ All projects accepted must be completed by May 31, 2013. This assumes Plan will end May 31, 2013.

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 2 EM&V category.⁶⁵

It is expected that the existing interval metering and smart metering infrastructure that will be installed will provide the method for EM&V of this program.

As our Smart Metering Technology Procurement and Installation Plan is implemented, new user tools will be developed for customers to retrieve and review energy usage data to aid their participation in the Company's programs. These tools will be made available to all Allegheny Power customers.

TRC analysis of the program will occur annually during the annual review process to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor.

Administrative requirements – include utility staffing levels

This program will be completely managed and administered by Allegheny Power and Curtailment Service Provider's will manage the program with their participating customers. Based on the evaluation process, contract administration, and utility accounting needs, Allegheny Power estimates 1.5 FTE's will be required to administer and support the program as follows:

Program Manager - 0.5 FTE's

The Program Manager will conduct the annual RFP process, handle contract administration and contacts with the PJM CSPs, provide program over-site and monitoring, complete financial and program reporting, and event reconciliation, and develop marketing activities, training and educational materials in coordination with the contracted PJM CSPs.

Account Manager/Business Account Specialist - 0.75 FTE's

The Account Manager/Business Account Specialist will provide marketing, customer education and training, assist CSPs with customer recruitment and joint customer visits, and support other program related customer service activities.

Technician – 0.25 FTE's

The technician will perform event reconciliation calculations and support program reporting. See Appendices F.5 and F.8 for additional information.

⁶⁵ Reference Section 6.1.2. for details of Level 2 EM&V.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	0	0	0
2010	3,000	0	0
2011	3,000	80	80
2012	3,000	80	80

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$428,112	\$0	\$0	\$0	\$0	\$428,112
2010	\$169,124	\$6,035	\$0	\$0	\$0	\$175,159
2011	\$182,960	\$6,035	\$0	\$31,950	\$450,000	\$670,945
2012	\$186,883	\$0	\$0	\$94,344	\$1,700,000	\$1,981,227
TOTAL	\$967,079	\$12,070	\$0	\$126,294	\$2,150,000	\$3,255,443

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	0	0	0.0	0.0
2011	2,000	2,000	40.0	40.0
2012	4,000	4,000	40.0	40.0

Cost-effectiveness – include TRC for each program year and cumulative

The cumulative TRC for this program is calculated to be 0.8
Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

d. DISTRIBUTED GENERATION PROGRAM

Years during which program will be implemented

January 2011 through May 2013

Objective(s)

The program is focused on reducing demand in the small and large, commercial and industrial, and governmental/non-profit customer sectors, by deploying customer “non-utility” generation resources. Allegheny Power will contract with a “distributed generation (DG) Manager” to “harvest” existing installed standby generation capacity. This entity would develop a portfolio of standby generation resources to be dispatched for demand response activities and to provide standby generation service for unplanned utility outages or other customer maintenance activities. Distributed generation technologies provide a multitude of utility and customer benefits, including: reduces peak demand, improved grid reliability and provides standby power service. In addition, Allegheny will explore the use of alternative fuels such as bio-diesel, or waste methane/landfill gas for these generators. Allegheny will ensure all permitting requirements are adhered to for generators enrolled in this program.

Target market

The program will be initially targeted at existing small and large, commercial and industrial, and governmental/non-profit customers that have a facility demand and have generators rated larger than 300 kW.

Program description

Under the program, customers will contract with a DG Manager to provide the customer with operation and maintenance services on the customer’s generator. The DG Manager will dispatch the generator up to 100 hours in response to curtailment event notices issued by Allegheny Power during the targeted hours of Allegheny Power’s 100 hours of highest demand. A customer who participates in this program will be provided an incentive on a \$\$/MWh basis for each hour that their generator is dispatched to target Allegheny Power’s hours of highest demand.

In order for the customer to realize the maximum benefits from participating in Allegheny Power’s demand response programs, the customer’s Curtailment Service Provider (CSP) must also register the customer’s load in the PJM load response programs. The customer can choose any registered CSP and Allegheny will provide potential customers with a list of the PJM CSPs that can register their load in the PJM markets. To assist with marketing and customer recruitment, Allegheny will provide a list of the potential customer generators to PJM CSPs.

Many electric customers own and maintain backup standby generators in order to meet the requirements of Section 701 of the National Electrical Code for “Legally Required Standby Systems” or Section 702 for “Optional Standby System.” In Allegheny Power’s

Pennsylvania service territory, there is approximately 70 MW of existing standby generation larger than 300 kW. These sources are primarily in hospitals, banking, data center and high tech manufacturing facilities, and the generators range in size up to 2000 kW. This “non-utility” distributed generation fleet does not include co-generation facilities since these units are normally operated in parallel with the grid and are part of a combined heat/power scheme where the generation could not be readily changed to meet a peak demand situation.

The wholesale electricity market prices vary each hour as the supply and demand of energy changes. By controlling the demand for electricity during the highest demand periods, customer standby generation resources can become an integral part of managing the overall delivery of energy on the system. Distributed generation resources are uniquely situated to manage system loads since they are capable of performing at will and minimize the customer impacts associated with other demand response programs. In addition to the incentives paid under this program, a customer who participates in load management activities by utilizing standby generation can also realize savings in the form of reduced capacity and energy costs. See Appendix F.5 for additional information.

Program Issues and Risks and Risk Management Strategy

Allegheny Power anticipates a mixed response from various entities regarding the use of standby generation as a resource for demand response. As part of the program, alternative fuel sources such as bio-diesel, and methane gas, will be explored as a potential fuel source. We also believe that distributed generation is a suitable resource for demand response because of the following:

- Limited hours of operation
- Alternative fuel sources will reduce emissions
- Emission control can be added to generators (selective catalytic reduction) for NO_x
- Local generation can save on transmission/distribution losses

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power has customer data for existing customer owned standby generators that could be “harvested” for this program. The program can be easily marketed to these existing installations and will be the focus of the initial marketing efforts. The DG Manager will be responsible for providing all services to operate, maintain, fuel and dispatch the generators that are enrolled in this program. Allegheny Power will assist with initial and follow-up sales calls, in coordination with the DG Manager and customer selected PJM CSP. See Appendix F.5 for additional information.

Anticipated costs to participating customers

The third party DG Manager will contract directly with the customer to maintain and operate the customer’s generator. The customer will pay the DG Manager for all operation and maintenance services provided by the DG Manager. The customer costs for these services will vary depending on the size and age of the generator.

Prior to the installation of Smart Metering Infrastructure, Allegheny Power will provide interval metering data via our Energy Data Services (EDS) at no cost to any customer or PJM CSP customer whose generator is participating in this program. Interval data through EDS can be provided monthly or daily in an excel spreadsheet format. For EDS daily data, the data file is made available the next day.

Until Allegheny Power's Smart Metering Infrastructure is deployed and functional at the customer's facility, Allegheny will target customers with a demand greater than 300 kW who have interval metering to participate in this demand response program. In cases where PJM CSPs request the installation of KYZ pulse contacts for use with the CSPs telemetry systems, the customer cost for the installation of this additional equipment is estimated to be \$650 (\$500 for KYZ pulse installation, \$150 for time synchronization).

Ramp up strategy

Allegheny Power will solicit RFP's and contract with a DG Manager who can support this program in the 4th quarter of 2010. The DG Manager will contract with the customer to maintain and operate the customer's generator under this program.

Marketing strategy

The program will be primarily marketed between the DG Manager and Allegheny Power's Customer Management group. Allegheny Power's Account Managers actively manage approximately 50% of the customers that the Company has identified who presently own standby generation that would be eligible for the program. Allegheny Power has identified approximately 80 customers with standby generators that could take advantage of this program. Since there is a select group of customers with standby generation, the Program Manager will market directly to these customers using direct mail or direct contact from an Account Manager or Business Account Specialist. To assist with marketing and customer recruitment, Allegheny will provide a list of the potential customer generators to PJM CSPs.

Allegheny will develop sales/marketing/educational materials and will assist the DG Manager and PJM CSPs with recruiting potential customers. The materials will provide details on all curtailment type programs including the Customer Load Response, Customer Resources Demand Response and the Distributed Generation Programs. All marketing materials will equally promote all demand response programs and will encourage customers to select a PJM CSP who can best address their needs. The materials will also include a listing of PJM CSPs who provide load curtailment services. See Appendices F.5 and F.8 for additional information.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (%)
Distributed Generation Program	\$/MWhr based on weighted average of nominations by PJM CSPs under Customer Resources Demand Response Program	

The customer incentive for this program will be based on the customer’s actual measured load reduction from the customer’s calculated Customer Baseline during called event periods and a customer incentive rate that will be established based on the results of the load nominations by PJM CSPs for the Customer Resources Demand Response Program (refer to Customer Resources Demand Response Program). Allegheny will calculate the customer incentive rate on a \$\$ per MWh basis based on the weighted average of all contracted load nominations for the Customer Resources Demand Response Program.

In order for the customer to realize the maximum benefits from participating in Allegheny Power’s demand response programs, the customer’s CSP must register the customer’s load in the available PJM load response programs. The customer can choose any registered PJM CSP for this service. See Appendices F.5 and F.6 for additional information.

Program start date with key schedule milestones

- Program Marketing: Fourth Quarter 2010
- Program Start Date: January 1, 2011
- Program End Date: May 31, 2013

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 2 EM&V category.⁶⁶

It is expected that the smart metering infrastructure will provide the method for EM&V of this rate.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

⁶⁶ Reference Section 6.1.2. for details of Level 2 EM&V.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company’s EM&V contractor.

Administrative requirements – include utility staffing levels

This program would be completely managed and administered by Allegheny Power. Based on the evaluation process, contract administration, and utility accounting needs, Allegheny Power estimates 0.5 FTE’s will be required to administer the program, consisting of the following resources:

Program Manager – 0.25 FTE’s

The Program Manager will conduct the RFP process and handle contract administration, provide program over-site and monitoring, complete financial and program reporting, and event reconciliation, and develop marketing activities, training and educational materials in coordination with the DG Manager.

Account Manager/Business Account Specialist – 0.25 FTE’s

The Account Manager/Business Account Specialist will provide marketing, customer education, enrollment and training, assist the DG Manager and PJM CSPs with customer recruitment and joint customer visits, and support other program related customer service activities. See Appendices F.5 and F.8 for additional information.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	0	0	0
2010	78	0	0
2011	80	8	8
2012	82	8	8

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$86,863	\$0	\$0	\$0	\$0	\$86,863
2010	\$54,006	\$331	\$0	\$0	\$0	\$54,337
2011	\$55,231	\$331	\$0	\$21,577	\$124,250	\$201,389
2012	\$56,484	\$0	\$0	\$36,598	\$248,500	\$341,582
TOTAL	\$252,584	\$662	\$0	\$58,175	\$372,750	\$684,171

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	0	0	0.0	0.0
2010	0	0	0.0	0.0
2011	350	350	7.0	7.0
2012	700	700	7.0	7.0

Cost-effectiveness – include TRC for each program year and cumulative

The cumulative TRC for this program is calculated to be 0.5

Refer to Table 7A for TRC for each program year.

Other information deemed appropriate

e. COMMERCIAL HVAC EFFICIENCY PROGRAM

This program is the same as that listed under Commercial / Industrial Small Sector section

f. COMMERCIAL PRODUCTS EFFICIENCY PROGRAM

This program is the same as that listed under Commercial / Industrial Small Sector section.

g. CUSTOM TECHNOLOGY APPLICATIONS PROGRAM

This program is the same as that listed under Commercial / Industrial Small Sector section.

3.5. Governmental/Non-Profit Sector Programs

a. GOVERNMENT/SCHOOL/NON-PROFIT LIGHTING EFFICIENCY PROGRAM

Years during which program will be implemented

January 2010 through May 2013

Objective(s)

This program encourages government, school, and non-profit customers in Allegheny Power's Pennsylvania service territory to upgrade to state-of-the-art energy efficient lighting technologies.

Target market

The target market for this program is Allegheny Power's approximate 19,700 governmental/non-profit customers in Pennsylvania.

Program description

The program provides increased incentives and equipment (at no up front costs to the customer) to these customer classes, for installing:

- T8 lamps: Replacing T12 lamps
- LED Exit Signs: Replacing or retrofitting existing incandescent exist signs w/ LED (provided to the customer at no upfront cost except shipping cost).
- LED Traffic Signals: Retrofit LED packs into existing incandescent units
- CFLs: Supply CFLs to this customer class via customer application (Provided to the customer at no upfront cost)

Allegheny Power is offering this program to encourage customers in Allegheny Power's Pennsylvania service territory to upgrade to new lighting technologies and to help overcome additional cost barriers associated with it.

Implementation strategy (including expected changes that may occur in different program years)

Allegheny Power will contract implementation administration activities including coordination with lighting equipment distributors and installation contractors, marketing activities, rebate processing services provider contractor oversight, reporting, and program evaluation.

Allegheny Power will contract directly with rebate processing service providers.

Allegheny Power will leverage the Local Development District Associations (LDDA) of Pennsylvania to market this program to this customer sector. These Associations have

established relationships with this target market and the Company is discussing coordination efforts with these groups.

Allegheny Power anticipates including LED lighting as an enhancement to the program after 2011 when CFLs become the sole market offering.

Program issues and risks and risk management strategy

A significant risk to the program success is customers' access to capital to finance energy efficiency and conservation programs. The increased incentive structure along with resources available through state agencies and possible tax credits⁶⁷ and emphasizing potential energy and maintenance savings are expected to mitigate this risk.

An additional risk is that programs may not be approved in time to align with these customers' budget cycles for 2010. Possible mitigation strategies include:

- Request phased review and approvals for those programs at risk due to budget planning cycles.
- Consider contacting eligible customers in advance of approvals to alert them of a possible program.

Achieving estimated participation rates is a program risk. The program will be reviewed monthly to determine if participation rates are not as high as anticipated. If participation rates are lagging, the following steps will be evaluated:

- Modify marketing strategy;
- Modify incentives; and
- Modify or eliminate measures being offered.

Another risk is the possibility of an increase in the federal energy efficiency standards for commercial lighting equipment resulting in reduced energy savings based on the current commercial lighting equipment measure requirements. If and when these standards change, commercial lighting equipment requirements and/or energy savings will be modified to reflect the energy efficiency standards of commercial lighting equipment available at that time. The program manager will be responsible for monitoring these changes and updating each measure as needed.

Anticipated costs to participating customers

- | | |
|----------------------|-------------------------------------|
| • T8 | \$150 / Fixture |
| • LED Exit | \$ 35 / Fixture (Installation Only) |
| • LED Traffic Signal | \$ 65 / Single Fixture |
| • CFL | \$ 0 / Fixture |

⁶⁷ Reference Additional Funding Table in Section 10.F.2.

Ramp up strategy

Begin communicating program in the fourth quarter of 2009 so customers can plan and budget for projects for 2010. This program is expected to be ‘full launched’ that is, offered to the entire target population on the launch date. AP will execute the launch in this manner since it will have had some experience in program management in another state prior to the Pennsylvania launch. It is assumed that the ramp up period for this program will occur in the 2009 and 2010 plan years. In the 2009 plan year, the participation rates are projected to be 33% of future year levels. In the 2010 plan year, the participation rates are projected to be 50% of future year levels.

Marketing strategy

Marketing activities will target eligible customers to inform them of the program, its components, and the associated benefits through bill inserts, direct mail, Allegheny Power website, trade shows, the business customer newsletter, and Account Managers. Allegheny Power will work with LDDAs to market the program to customer with whom they have an established relationship.

Marketing activities will include leveraging and promoting federal and state funding opportunities (stimulus dollars, tax incentives, grants, etc.) that may be associated with this program.⁶⁸

Allegheny Power will promote a whole building approach to energy conservation for government entities by offering increased incentives for select projects and measures under the Government/School/Non-Profit Lighting Efficiency Program to those government entities that have undergone building energy audits. This program will provide information on the benefits of guaranteed energy savings contracts to government entities.

Eligible measures and incentive strategy, include tables for each year of program, as appropriate showing financial incentives & rebate levels (e.g., \$ per measure, \$ per MWh or MW saved)

Eligible Program Measures & Incentives		
MEASURE	REBATE (\$)	REBATE LEVEL (% of Incremental \$)
CFLs	100% of total expenditures	
T8s	\$/kWh based on the magnitude of savings	
LED Exit Signs	100% of total expenditures	
LED Traffic Signals	\$92	57%

⁶⁸ Reference Additional Funding Table in Section 10.F.2.

Program start date with key schedule milestones

Allegheny Power will determine and measure key milestones achieved as referenced in program participation levels and savings tables for respective years.

- Program Marketing: Begin discussions with key customers early fourth quarter 2009
- Implementation: Award vendor contracts fourth quarter 2009
- Program Start Date: January 2010
- Program End Date: May 31, 2013⁶⁹

Assumed Evaluation, Measurement, and Verification (EM&V) requirements required to document savings by third-party consultant

This program falls into the Level 1 EM&V category.⁷⁰

All rebate applications will be reviewed upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample of all rebate applications, based on 90% confidence level and a plus-or-minus 5% margin of error, will be selected for survey.

Information that will be collected for EM&V purposes will include the quantity of the measure installed, nameplate data from the existing model, the capacity (size) of the existing model, the nameplate data for the new model and the capacity (size) of the new model.

TRC analysis of the program will occur annually to determine the feasibility of continuing the program; Allegheny Power will notify the Commission if it appears that changes are warranted in this program.

The EM&V Plan will be adjusted to meet statewide Plan Evaluator Requirements and/or per recommendation of the Company's EM&V contractor.

Administrative requirements – include utility staffing levels

Allegheny Power will assign a program manager to oversee program implementation, contract management, tracking and reporting, and program evaluation. It is estimated that program management will require 0.25 FTE.

⁶⁹ All projects accepted must be completed by May 31, 2013. This assumes Plan will end May 31, 2013.

⁷⁰ Reference Section 6.1.2. for details of Level 1 EM&V.

Estimated participation – includes tables indicating metric(s) with target value(s) per year

Estimated Annual Participation			
PROGRAM YEAR	POTENTIAL MEASURES	PARTICIPATING CUSTOMERS	PARTICIPATING MEASURES
2009	1,107,658	330	10,323
2010	1,110,652	6,670	200,984
2011	1,056,342	985	28,868
2012	1,033,184	280	14,210

Estimated program budget (total) by year – include table with budget per year

Estimated Program Budget (Total) by Year						
PROGRAM YEAR	UTILITY ADMINISTRATIVE COSTS	MARKETING COSTS	OUTSIDE SERVICES	EVALUATION COSTS	INCENTIVES	TOTAL
2009	\$534,701	\$40,000	\$40	\$33,344	\$92,130	\$700,215
2010	\$196,631	\$98,880	\$751	\$118,192	\$2,067,574	\$2,482,028
2011	\$201,091	\$101,848	\$781	\$56,003	\$816,338	\$1,176,062
2012	\$205,653	\$61,192	\$708	\$33,476	\$401,971	\$702,999
TOTAL	\$1,138,077	\$301,920	\$2,280	\$241,014	\$3,378,014	\$5,061,304

Savings targets – include tables with total MWh and MW reduction goals per year and cumulative & tables that document key assumptions of savings per measure or project

Estimated Energy & Demand Savings Targets				
PROGRAM YEAR	ANNUAL ENERGY SAVINGS (MWh)	PROGRAM ENERGY SAVINGS (MWh)	ANNUAL DEMAND SAVINGS (MW)	PROGRAM DEMAND SAVINGS (MW)
2009	2,195	2,195	0.5	0.5
2010	44,301	46,496	10.5	11.0
2011	9,379	55,875	1.7	12.8
2012	4,583	59,091	1.1	13.5

Cost-effectiveness – include TRC for each program year and cumulative

The Government/School/Non-Profit Lighting Program's TRC is 9.6

Refer to Table 7A for TRC for each program year

Other information deemed appropriate

In an effort to enable all customer classes to gain added benefits, Allegheny Power plans to access and educate customers on the availability of incentives from available funding sources including, but not limited, to Federal Tax Credits for Energy Efficiency under the "Emergency Economic Stabilization Act of 2008" and/or Stimulus Funds under the "American Recovery and Reinvestment Act of 2009" as appropriate, and as funding becomes available.⁷¹

⁷¹ Reference Additional Funding Table in Section 10.F.2.

b. COMMERCIAL HVAC EFFICIENCY PROGRAM

This program is the same as that listed under Commercial/Industrial Small Sector section.

c. CUSTOM TECHNOLOGY APPLICATIONS PROGRAM

This program is the same as that listed under Commercial / Industrial Small Sector section.

d. CUSTOMER LOAD RESPONSE PROGRAM

This program is the same as that listed under Commercial/Industrial Large Sector section.

e. CUSTOMER RESOURCES DEMAND RESPONSE PROGRAM

This program is the same as that listed under Commercial/Industrial Large Sector section.

f. DISTRIBUTED GENERATION PROGRAM

This program is the same as that listed under Commercial/Industrial Large Sector section.

g. TIME OF USE RATE (TOU) WITH CRITICAL PEAK PRICING (CPP) RATE

This program is the same as that listed under Commercial / Industrial Small Sector section.

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4. Program Management and Implementation Strategies

4.1. Overview of EDC Management and Implementation Strategies

4.1.1. Describe the types of services to be provided by EDC as well as consultants, trade allies, and CSPs. Indicate which organizations will provide which services and the basis for such allocation. Reference reporting and EM&V information from Sections 5 and 6 below.

In summary, Allegheny Power will perform the following services:

- Contract Management oversight
 - EE&C and DR Plan Consultation and Design
 - Rebate Processing
 - Recycling Services
 - Residential Energy Audit Services
 - Residential Low Income Services
 - Non-residential Energy Audit Services
 - Distributed Generation Management Services
 - Demand Services Consultant
 - Marketing and Advertising
 - EM&V
- Customer Service Center support
- Direct marketing to large commercial and industrial key account customers

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Allegheny Power believes the most cost-effective method for program implementation is to contract with vendors for specific services to leverage similar activities across the Plan portfolio of programs and measures. Additionally, the Company will leverage its contracts with vendors for its Maryland EE&C Plan to ensure best pricing for like services.

In summary, Allegheny Power will hire consultants, contractors, and CSPs for the following services:⁷²

- **EE&C and DR Plan Consultation and Design:** Allegheny Power contracted with EDS to provide consulting services associated with EE&C and DR Plan development.
 - Primarily, EDS provided consulting services for Demand Response Programs.
- **Rebate Processing for Programs that provide customer rebates⁷³**
Allegheny Power believes the most cost-effective method for processing

⁷² This summary does not include contracted consulting services for the development of the SMIP.

rebates is contracting the service. Additionally, the Company will leverage its contract with this vendor for its Maryland EE&C rebate programs to ensure best pricing.

- Residential Energy Star and High Efficiency Appliance Program
 - Compact Fluorescent Light (CFL) Rewards Program
 - Residential Whole Home Appliance Efficiency Program
 - Commercial HVAC Efficiency Program
 - Commercial Products Efficiency Program
 - Government/non-Profit Lighting Efficiency Program
- **Appliance Recycling Services:** Allegheny Power believes the most cost-effective method for processing rebates is contracting the service. Additionally, the Company will leverage its contract with this vendor for its Maryland EE&C recycling programs to ensure best pricing.
 - Refrigerators
 - Freezers
 - Room Air Conditioners
 - **Energy Audit Services for Residential Programs:** Allegheny Power believes contracting this service is the most cost-effective method of delivery. The Company can leverage existing relationships with providers of these services through its LIURP program and with PA Home Energy.
 - Residential Home Performance Program
 - **Plan Administration for Residential Low Income programs:** Allegheny Power will contract with the program administrator currently under contract for LIURP administration. The program administrator will be responsible for implementation coordination, marketing activities, rebate and recycling processing services provider contract oversight, reporting, and program evaluation.
 - Low Income Home Performance Check-up Audit and Appliance Replacement Program
 - Low Income Joint Utility Usage Management Program
 - **Energy Audit Services for Non-Residential Programs:** Allegheny Power plans to contract with a CSP who the Company has contracted for similar services, to perform Commercial and Industrial Energy Audits required under its programs. This approach ensures the expertise needed in order to complete these services accurately, timely and cost-effectively.
 - **Management Services for Distributed Generation:** Allegheny Power plans to contract with a Distributed Generation provider who will be responsible for operating and maintaining customer owned standby generation under the Company's Distributed Generation Program. This approach ensures the

⁷³ The Custom Technologies Applications Program and the Custom Applications Program rebate processing will be handled by Allegheny Power.

expertise needed in order to dispatch customer generation successfully to target the Company's highest load hours.

- **Demand Response Programs:** Allegheny Power has executed a contract with a Conservation Services Provider consultant to complete a market assessment of the demand load resources that are available from Allegheny Power's commercial and industrial customer base.⁷⁴
- **Marketing and Advertising:** Allegheny Power has contracted with the same advertising firm hired for the Pennsylvania Consumer Education Plan and the Maryland EE&C and DR Plan. This will leverage similar activities as well as retain the same look and feel of all promotional materials.
 - All Programs
- **EM&V Services:** Allegheny Power has executed a contract with an EM&V CSP to perform all evaluation, measurement and verification activities to support State TRM data collection, measurement, and reporting requirements.
 - All Programs

Allegheny anticipates that some contracts will be performance-based to promote goal achievement. Plan Implementation Providers will be responsible for plan implementation including but not limited to: program implementation including hiring all sub-contractors required for successful program implementation and quality; marketing coordination; reporting on identified metrics, including presenting to stakeholder groups as requested; customer issue resolution; best practices; and early identification of program success risks, including recommendations to mitigate or leverage.

Allegheny Power has executed a contract with an EM&V CSP to perform evaluation, measurement, and verification (EM&V) services. This EM&V CSP is independent and not affiliated with the Plan Implementation Providers or with Allegheny Power. EM&V contractor will be responsible for: completing a baseline study should this be determined to be beneficial to support alternative measurement and verification for some programs and measures; completing all measurement and verification activities to support State TRM data collection, measurement, and reporting requirements as well as PJM Energy Efficiency M&V Manual specifications for measuring and reporting EE Resource bids into the RPM; developing and maintaining EM&V database; and working with the statewide Plan Evaluator EM&V audits.

Allegheny Power will assign contract and program managers to oversee Plan Implementers and EM&V contractors. The program managers will be responsible for: contract management and oversight including contract compliance, reporting activities, invoice processing, budget variance, and serving as a liaison between the contractors and other parties, both internal and external; coordinating internal training; program results analysis; and recommendations for program adjustments to ensure target achievement.

⁷⁴ Roth Brothers, Inc. is a registered CSP in Pennsylvania. See Section 4.3. and Appendix 10.C. for details.

Allegheny Power will evaluate program and plan results to report to Commission. The Company's Corporate Communications will be responsible for designing and maintaining the external website to promote EE&C and DR Plan; coordination of marketing efforts through bill inserts and customer newsletters; and, managing the advertising agency contract.

Allegheny Power's Customer Service Center (CSC) will be responsible for ensuring CSC representative training; quality control; responding to customer inquiries; tracking complaints and other pertinent information in customer information system; performing quality surveys; promoting programs when applicable to customers calling the CSC for other reasons (for example, marketing low-income programs available to customers inquiring about bill payment assistance); and promoting programs to commercial and industrial (C&I) customers through email distribution lists and "Message on Hold."

The Customer Account managers and engineers will be responsible for: establishing and maintaining relationships with commercial and industrial customers to directly promote programs; establishing and maintaining relationships with trade allies, vendors, retail stores, etc.; and attending events to market programs such as home shows and municipal events.

The Customer Programs Development group will be responsible for Plan and program evaluation for effectiveness.

Contractors will be hired for:

- Advertising and Marketing Plan development and implementation including: reporting on identified metrics; focus group and other message testing and review; and ad development and placement
- Rebate processing including customer inquiry handling, database development, and reporting on identified metrics
- Recycling of refrigerators, freezers, and window air conditioning units including reporting on existing and replacement equipment specs and environmentally sound recycling of old appliances
- Developing and maintaining an online home energy audit tool that will interface with actual customer data and recommend programs and estimated savings from participation
- Performing energy audits for residential, commercial, and industrial customers
- Performing Industrial Custom Application services including performing comprehensive energy audits, completing reports for program manager review and approval, and completing approved measures recommended on energy audit report
- Perform Demand Response services including: Allegheny Power will conduct an annual nomination process with PJM Curtailment Service Providers (CSP). The result of this process will be contracts with PJM CSPs for demand savings through callable load curtailment

- Perform implementation of Distributed Generation Program including: marketing, obtain customer contracts and administer make ready work, M&V plan development, obtain and track data, and implement events
- Performing measurement and verification services including: completing a baseline study; completing all measurement and verification activities to support State TRM data collection, measurement, and reporting requirements as well as PJM Energy Efficiency M&V Manual specifications for measuring and reporting EE Resource bids into the RPM; developing and maintaining EM&V database; and, working with the statewide Plan Evaluator during EM&V audits

4.1.2. Describe how the risk categories of performance, technology, market and evaluation can affect the programs and any risk management strategies that will be employed to mitigate those risks.

Performance risk will be identified through early warning systems including customer complaints and inquiries, focus groups, and quality surveys and will be addressed by the program managers.

Allegheny Power is designing EE&C programs that use established and proven technologies thereby mitigating the technology risk for these programs.

Allegheny Power's EE&C and DR Plan relies on the availability of Smart Meters. Should approval of the Smart Meter Technology Procurement and Installation Plan (SMIP) be delayed, Allegheny Power would be at risk of missing demand reduction targets.

Customer participation in programs is expected to be impacted by the economic downturn and the tightening of the credit markets. Customer participation risk in programs will be mitigated through marketing and advertising program benefits including customer incentives to participate and energy savings associated with participation as well as assisting the customer in determining other resources for funding and assistance (such as tax benefits, grants, other agency programs).⁷⁵

Other market participation risks will be mitigated through relationship building and support for programs. The state should consider partnering with financial institutions to offer no and low-interest loans on a state-wide basis, as Allegheny Power has not been successful identifying banks or other financial institutions to offer an Allegheny Power program.

Evaluation risk will be addressed through review of EM&V contractor reports and implementation reports to ensure consistency in methodology. Differences in assumptions will be fully vetted with internal and external stakeholders (including the statewide Plan Evaluator) to determine the most appropriate result.

⁷⁵ See Section 10.F.2. for a partial listing of these resources.

4.1.3. Describe how EDC plans to address human resource and contractor resource constraints to ensure that adequate personnel and contractors are available to implement the EE&C plan successfully.

Allegheny Power is in the process of completing staffing of approximately 19 FTEs to administer, manage and evaluate programs. New and existing resources will be fully leveraged to achieve maximum efficiency between programs within the plan.

With the projected number of energy audits for all customers and increased comprehensive weatherization services for residential customers with low to moderate incomes, Allegheny Power has identified a resource constraint for performing home energy audits and comprehensive weatherization services. This has been an issue for several years as Allegheny Power has needed to contract with both Community Action Agencies and private contractors in order to have adequate coverage of Allegheny Power's service territory as well as contractors able to provide the scope of energy conservation measures under the company's Low Income Usage Reduction Program (LIURP). It is Allegheny Power's intent to meet with available contractors prior to program start-up to review scope of work and projected participant levels to allow contractors the opportunity increase and train their workforce.

Allegheny Power will also work with Stakeholder groups interested in participating in discussions on how to best resolve resource issues and on how to deploy ARRA funding effectively to meet this workforce deficiency.

4.1.4. Describe “early warning systems” that will be utilized to indicate progress towards the goals and whether they are likely to be met. Describe EDCs approach and process for shifting goals and funds, as needed, between programs and adding new measures/programs.

Currently there is a corporate “Enterprise Reporting Program” initiative focused on improving the ability to access consistent and reliable information to enable effective business decisions and analysis. As part of this program, reporting tools will be implemented to enable access to information in a timely and efficient manner. Allegheny Power will use these tools to obtain the data necessary to monitor progress towards goals in order to make adjustments to programs as needed.

Allegheny Power will monitor plan and plan component metrics to assess effectiveness. Once it is felt that a program has been in the field long enough to validate effectiveness (we expect this will vary by program and measure) and it is not meeting participation or other design expectations, a review of implementation plan, assumptions, and other pertinent information will be completed to determine best course of action. Should the Company decide it is advisable to cancel a plan component or program to focus resources on more successful or new programs, the Commission will be notified and the process for amending the plan initiated.

4.1.5. Provide implementation schedules with milestones.

Allegheny Power will begin a phased program launch to customers two months after Plan approval is received with some early soft awareness marketing for programs for which success is heavily influenced by customer budget and planning cycles (largely government, schools, and municipalities, and commercial and industrial programs). Assuming approval is received early November 2009, the implementation schedule and key milestones are outlined below:

October – November 2009

- Begin program awareness campaign for government, schools, and municipalities, and commercial and industrial customers to ensure projects are included in 2010 budget
- Execute contracts to provide identified services
- Print collateral materials and identify events for program marketing

December 2009

- Complete EE&C and DR Program website
- Complete Plan training for all internal audiences
- Finalize marketing campaign and media buys
- Establish relationships with trade allies, vendors, retail stores, etc.

January 2010

- Launch Residential Programs
- Launch Low Income Programs
- Launch Government/non-Profit Programs
- Launch Commercial & Industrial Programs

April 2010

- Complete EM&V baseline studies. Complete program database tracking development

December 2010

- Complete Demand Load Resources Market Assessment Study.

June 2011

- Launch Customer Resources Demand Response Program
- Launch Customer Load Response Program
- Launch Distributed Generation Program
- Launch Demand Response Rate Programs

May 2013

- Close Programs

4.2. Executive management structure:

4.2.1. Describe EDC structure for addressing portfolio strategy, planning, review of program metrics, internal and external communications, budgeting and financial management, program implementation, procurement, program tracking and reporting, and Quality Assurance/Quality Control (QA/QC). Include EDC organization chart for management team responsible for implementing EE&C plan.

Allegheny Power's Customer Management group reporting to the Executive Director of Customer Service is responsible for portfolio development and evaluation, implementation, measurement and verification, and reporting.

The Executive Council reviewed the EE&C Plan prior to submission to the Commission. Program level reviews, including program metrics, are completed by Customer Management.

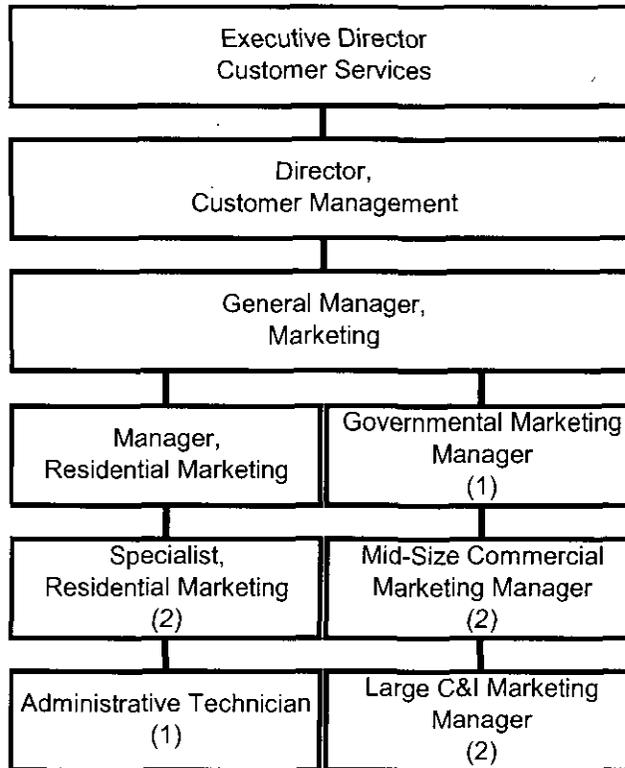
Corporate Communications is responsible for all internal and external portfolio communication coordination with the exception of providing EE&C Plan training key employees. This is handled by Allegheny Power's Customer Management Group (Customer Management) as a part of implementation.

Customer Management is responsible for budgeting, tracking, and reporting of Plan financials. Program Managers are responsible financial management and review of assigned programs. The Executive Director, Customer Services and the Director, Customer Management will review program financials monthly.

Procurement for Plan services is the responsibility of the Program Managers with guidance and assistance from the Procurement group. All services are competitively bid per Company business practice. Approvals of contracts and purchase requisitions follow the Company's internal business practice concerning expense and cost approval limits.

Plan Quality Assurance/Quality Control will be the responsibility of Customer Management in conjunction with the Allegheny Power Audit Services group. All applicable Sarbanes-Oxley Controls and Business Practices will be followed and a review and/or audit will be completed annually.

The organization chart for management team responsible for implementing EE&C plan for all relevant Company jurisdictions is depicted below:



4.2.2. Describe approach to overseeing the performance of sub-contractors and implementers of programs and how they can be managed to achieve results, within budget, and ensure customer satisfaction.

The Customer Programs Support group will be responsible for Plan implementation. A program manager will be assigned to each program to provide contract management oversight and administration for both the program implementers and the sub-contractors hired by the implementation providers. Allegheny anticipates that some contracts will be performance-based to promote goal achievement.

The Financial Support Specialist will provide support to program managers to ensure accurate invoices. Customer satisfaction will be measured by independent contractors as well as by Allegheny Power.

4.2.3. Describe basis for administrative budget.

Allegheny Power calculated administrative costs by estimating costs associated with specific activities, utilizing price quotations and by using actual charges year to date to establish program development costs. Administrative costs include

start-up costs such as IT, database and web portal development and program development. IT, database and web portal development costs were estimated based on IT requirements that were identified specific to the proposed EE&C and DR programs. Other administrative costs include program development costs, with this component based on actual charges year to date. See Tables 6A and 6B for the common and specific costs per customer sector for administration costs.

4.3. Conservation Service Providers (CSPs):

4.3.1. List any selected CSPs, describe their qualifications and basis for selection (include contracts in Appendix).

Demand Services Consultant: Allegheny Power has contracted with Roth Bros. Inc.⁷⁶ to complete an assessment of the demand response market for Allegheny Power's small/large commercial, small/large industrial governmental, schools, higher education, non-profit and municipal customer segments. This study will help the Company to better understand and quantify customer interest and required incentives and to assist with program design details.

Allegheny released an RFP for completion of this study. Three consultants responded.

Roth Bros. Inc. was selected based on the technical and experience evaluation criteria. This capability and experience coupled with their low bid made them the successful bidder.

Roth Bros. Inc. and Enerlogics submitted a joint proposal to provide a market assessment of the demand response market for Allegheny Power's small/large commercial, small/large industrial governmental, schools, higher education, non-profit and municipal customer segments. Enerlogics has developed demand response systems for PJM and numerous commercial, industrial, and institutional customers and specializes in software and telecommunications systems related to demand response. Roth Bros., Inc. is a technology company specializing in building automation systems and hardware to implement demand response programs. The staff at Enerlogics has significant experience with implementing and designing demand response programs and presented a customized proposal that addressed Allegheny Power's concerns with market assessment, program design, implementation, and required support.

Rebate Processing: Allegheny Power has contracted with Blue Monde LLC d/b/a Promotion Fulfillment Center, a registered CSP, to process, track data and issue rebates for Allegheny Power's residential, commercial, industrial, governmental, schools, higher education, non-profit and municipal customer prescriptive type programs.

⁷⁶ Roth Brothers, Inc. is a registered CSP in Pennsylvania. See Appendix 10.C. for contract.

Allegheny Power released an RFP for these services in which four consultants responded.

Blue Monde LLC d/b/a Promotion Fulfillment Center was selected based on technical, experience and financial evaluation criteria.

Recycling Services: Allegheny Power has contracted with JACO Environmental Inc., a registered CSP, to schedule customers, track data, pick-up, issue rebates and recycle refrigerators, freezers and room air conditioners for Allegheny Power's residential prescriptive recycling programs.

Allegheny Power released an RFP for these services in which two consultants responded.

JACO Environmental Inc. was selected based on technical, experience and financial evaluation criteria.

Low Income Program Administration: Allegheny Power has contracted with Dollar Energy, a registered CSP, to provide program administration, implementation coordination, marketing activities, rebate and recycling processing services provider contract oversight, reporting, and program evaluation for Allegheny Power's residential low income programs.

Allegheny Power released an RFP for these services in which two consultants responded.

Dollar Energy was selected based on technical, experience and financial evaluation criteria.

Residential Energy Audit Services: Allegheny Power has contracted with Aclara, a registered CSP, to provide program administration, data tracking and implementation of online energy analyzer software for Allegheny Power's residential Home Performance program.

Allegheny Power released an RFP for these services in which two consultants responded.

Aclara was selected based on technical, experience and financial evaluation criteria.

Residential Energy Audit Services: Allegheny Power has contracted with Energy Smart Products LLC, whom is applying to become a CSP, to provide, package and ship CFL bulb as requested thru the online energy analyzer software for Allegheny Power's residential Home Performance program.

Allegheny Power released an RFP for these services in which two consultants responded.

Energy Smart Products LLC was selected based on technical, experience and financial evaluation criteria.

Non-residential Energy Audit Services: Allegheny Power has contracted with Eaton Corporation, a registered CSP, to complete energy audit assessments of large custom EE&C customer projects for Allegheny Power's mid-sized/large commercial, mid-sized/large industrial customers segments.

Allegheny released an RFP for completion of this study. Five consultants responded.

Eaton Corporation was selected based on technical, experience and financial evaluation criteria.

Non-residential Energy Audit Services: Allegheny Power has contracted with Entech Engineering, a registered CSP, to complete energy audit assessments of large custom EE&C customer projects for Allegheny Power's mid-sized/large commercial, mid-sized/large industrial customers segments.

Allegheny released an RFP for completion of this study. Five consultants responded.

Entech Engineering was selected based on technical, experience and financial evaluation criteria as the second bidder from Eaton in the previous heading for Non-residential Energy Audit Services. Allegheny Power found a need for a second vendor to maintain project response time for the customer.

EE&C Equipment Provider: Allegheny Power has contracted with Schaedler Yesco Distributing, a registered CSP, to provide, package and ship CFL bulbs and LED Exit Signs for Allegheny Power's government lighting efficiency program.

Allegheny Power released an RFP for these services in which six consultants responded.

Schaedler Yesco Distributing was selected based on technical, experience and financial evaluation criteria.

Marketing and Advertising: Allegheny Power has contracted with Garrison Hughes, whom is a registered CSP, to provide marketing, advertising and strategic communication services for Allegheny Power's portfolio of EE&C and DR programs.

Allegheny Power released an RFP for these services in which three consultants responded.

Garrison Hughes was selected based on technical, experience and financial evaluation criteria.

EM&V: Allegheny Power has contracted with Tetra Tech⁷⁷, a registered CSP, to perform evaluation, measurement and verification services for Allegheny Power's portfolio of EE&C and DR programs.

Allegheny Power released an RFP for these services in which five consultants responded.

Tetra Tech was selected based on technical, experience and financial evaluation criteria.

4.3.2. Describe the work and measures being performed by CSPs.

Demand Services Consultant: Roth Bros. Inc. will perform a study to assess feasibility of contracted demand response load reduction programs.

The scope of work includes:

Allegheny Power has contracted with Roth Bros. Inc.⁷⁸ to complete a market assessment of the demand response potential in Allegheny Power's commercial, industrial and government customer base. This study will focus on identifying a controllable load reduction and assigning confidence levels. As part of this study, the vendor will review the impact of the discontinuation of the PJM Interruptible Load Response program in 2012.

Rebate Processing: Blue Monde LLC d/b/a Promotion Fulfillment Center will qualify prescriptive rebates, convert rebate data to electronic format, develop and maintain a data tracking database and issue rebate checks to customers for Allegheny Power's residential, commercial, industrial, governmental, schools, higher education, non-profit and municipal customer prescriptive type programs.

Recycling Services: JACO Environmental Inc. will schedule with customers, gather and maintain data in a tracking database, pick-up units at customer homes, issue rebates and recycle refrigerators, freezers and room air conditioners according to EPA guidelines for Allegheny Power's residential prescriptive recycling programs.

Low Income Program Administration: Dollar Energy Fund will provide program administration, implementation coordination, marketing activities, rebate and recycling processing, services provider contract oversight, reporting, and program evaluation for Allegheny Power's residential low income programs.

Residential Energy Audit Services: Aclara will provide program administration, data tracking and implementation of an online energy analyzer software for Allegheny Power's residential Home Performance program.

⁷⁷ Formally, PA Consulting

⁷⁸ Roth Bros. Inc. is a registered CSP in Pennsylvania. See Appendix 10.C. for contract

Residential Energy Audit Services: Energy Smart Products LLC, whom has applied to become a CSP, will provide, package and ship CFL bulbs as requested thru the online energy analyzer software for Allegheny Power's residential Home Performance program.

Non-residential Energy Audit Services: Eaton Corporation and Entech Engineering will complete energy audit assessments of large custom EE&C customer projects for Allegheny Power's mid-sized/large commercial, mid-sized/large industrial customers segments.

EE&C Equipment Provider: Schaedler Yesco Distributing will provide, package and ship CFL bulbs and LED Exit Signs for Allegheny Power's government lighting efficiency program.

Marketing and Advertising: Garrison Hughes, whom has applied to become a CSP, will provide marketing, advertising and strategic communication services for Allegheny Power's portfolio of EE&C and DR programs.

EM&V: Tetra Tech will provide evaluation, measurement and verification services for Allegheny Power's portfolio of EE&C and DR programs.

4.3.3. Describe any pending RFPs to be issued for additional CSPs.

Energy Audit Services for Residential Program: Allegheny Power will issue a RFP for program administration, implementation coordination, marketing activities, rebate processing, services provider contract oversight, reporting, and program evaluation for the In Home Audits provided under Allegheny Power's Home Performance Program.

Distributed Generation Manager: Allegheny Power will issue a RFP for the operation, maintenance and dispatch provider for customer generators enrolled under the Company's Distributed Generation Program.

Customer EE&C Education: Allegheny Power will issue a RFP for the study of its customers' demographics, demographic and bill data analysis, selection of a customer sample population, and, develop and distribute customer educational materials based on the data.

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5. Reporting and Tracking Systems

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5.1 Reporting

5.1.1. List reports that would be provided to the Commission, the schedule for their delivery, and the intended contents.

The first annual report due to the Commission is September 15, 2010. In addition, the PUC Staff and the Statewide Evaluator has requested quarterly report submission along with monthly and quarterly data transfers. Allegheny Power will comply with all reasonable reporting requirements. Report contents will include an executive summary along with plan and individual programs and measures: budget vs. actual costs; measure and verification results; effectiveness (savings and annual TRC results); and, recommendations for changes, improvements, enhancements or cancellations.

5.1.2. Describe data that would be available (including format and time frame of availability) for Commission review and audit.

Allegheny Power will comply with the all reasonable data requirements per the Statewide Plan Evaluator's recommendations and/or Commission directives. Examples of expected data to be accessible include: customer account number, meter number, and service location; program participation information; customer complaint data; program costs; evaluation, measurement, and verification data.

5.2 Project Management Tracking Systems

5.2.1. Provide brief overview of the data tracking system for managing and reporting measure, project, program and portfolio activities, status and performance as well as EDC and CSP performance and expenditures.

Allegheny Power will use its customer information system (CIS) and other technologies to be determined to track energy conservation programs. The data tracking system will enable the measuring and tracking of customer counts per program and measure, benefits from the programs and measures, expenditures per program and measure and other details as required for the various programs and measures. Data integrity will be ensured through proper security access and mechanisms will be implemented to ensure data validation.

Consideration is being given to obtaining the services from qualified vendors to provide services to develop, build, host and deploy a Data Base Tracking System related to Allegheny Power's Plan.

5.2.2. Describe the software format, data exchange format, and database structure you will use for tracking participant and savings data. Provide examples of data fields captured.

The specifications for the data tracking system is currently in development and not available at this time.

5.2.3. Describe access and mechanism for access for Commission and statewide EE&C Plan Evaluator.

Allegheny Power will provide the Commission with required data samples electronically directly to the statewide Plan Evaluator provided database or by whatever method is deemed appropriate. Allegheny Power does not expect to provide third party access directly to data systems due to customer confidentiality, privacy, and security concerns. Should the statewide Plan Evaluator or the Commission request access to Allegheny's data system, the Company will arrange an on-site visit with a database expert to review with requestor.

6. Quality Assurance and Evaluation, Measurement and Verification

6.1 Quality Assurance/Quality Control

6.1.1. Describe overall approach to quality assurance and quality control.

Allegheny Power will build quality control checks into each program and measure as well as at key customer touch points. The Program Manager will review reports to identify issues and take action necessary to resolve. Quality checks are summarized below:

- **Customer Satisfaction:** Customer satisfaction for overall plan offerings and program participation will be assessed through random survey.
- **Call Center Support:** An expected service level will be set based on best practices and benchmarking. Calls will be monitored for quality.
- **Rebate Programs:** Customers will be required to submit a completed rebate form, a copy of the sales receipt and include the UPC label from the box of the appliance (where applicable). The Rebate Contractor will review all rebate applications upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample of all rebate applications, based on 90% confidence level and plus-or-minus 5% margin of error, will be selected for survey or site visit depending on the measure. The refrigerator and freezer recycling measures also include verification that an operating refrigerator or freezer was removed from a customer's premises, and that the refrigerator or freezer was appropriately recycled.
- **HVAC Programs:** A statistically valid sample of all rebate applications based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected for post-installation inspection. Inspections will include a site visit to verify energy-efficient technical specifications.
- **Home Audit Programs:** Allegheny Power will audit 20% of each certified contractor's projects in the first year and 5% per year thereafter for quality assurance. The Company expects that contractor training programs would be modified to address any trends discovered through the audit process. For Low Income Programs, reports will be prepared and maintained by the third-party administrator to verify adherence to customer eligibility requirements. A statistically valid sample, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected annually for post-installation inspection. Inspections will include a site visit to verify energy-efficient technical specifications and quantities.
- **Customer Application Programs:** All applications will be reviewed by Allegheny Power upon receipt to verify adherence to eligibility requirements and applicant eligibility. A statistically valid sample, based on a 90% confidence level and a plus-or-minus 5% margin of error, will be selected

annually for post-installation inspection. Inspections will include a site visit to verify energy-efficient technical specifications and quantities. Pre-installation and post-installation energy use and energy savings will be estimated using engineering calculations and/or one-time or short-term in-situ end-use measurements. One-time measurements will be used where the operating factor and hours of operations are consistent. Short-term measurements will be used where the operating factor and the hours of operation are more variable.

6.1.2. Describe procedures for measure and project installation verification, quality assurance and control, and savings documentation.

Allegheny Power will meet or exceed the EM&V requirements of the Pennsylvania Technical Reference Manual (TRM) and will implement the protocols that are adopted by the Statewide Plan Evaluator for Evaluation, Measurement and Verification. Additionally, the information provided below will be adjusted if recommended by the Company's EM&V contractor as well as per recommendations from the Statewide Plan Evaluator. Finally, as the Company works with State agencies, partners, trade allies, and other key stakeholders to improve and maximize program and measure design, its EM&V plan will be adjusted accordingly. The goal is to balance the costs of EM&V processes, program and measure effectiveness, and other necessary considerations to provide the best benefit to customers while achieving energy consumption and demand reduction targets.

Once it is expected to be beneficial to participate in the PJM RPM Market, EM&V plans will be modified, if necessary, to ensure compliance with the PJM Energy Efficiency M&V Manual.⁷⁹ Any incremental costs to comply with PJM M&V requirements will be netted against the revenues from the RPM market participation.

Demand and energy savings may be derived from a computation using a combination of measurements of some parameters and estimates of others. Consideration will be given to each parameter's contribution to the overall uncertainty of the estimated savings. Estimates may be based on historical data such as recorded data; manufacturer's published ratings and representative sampling.

Level I: Deemed Savings

Level 1 measurement supports the programs and measures for which the deemed or partially deemed savings approach is appropriate. These are the programs and measures for which algorithms are available in the PA TRM.

⁷⁹ PJM Manual 18B: Energy Efficiency M&V Manual,
<http://www.pjm.com/documents/~media/documents/manuals/m18b.ashx>

Applicable Programs and Measures:

- Residential Energy Star and High Efficiency Appliance Program
 - Room Air Conditioner
 - Clothes Washer
 - Clothes Dryer
 - Dishwashers
 - Refrigerator
 - Freezer
 - Programmable Thermostat
- Residential CFL Rewards Program
 - CFL Lighting
- Residential Whole Home Appliance Efficiency Program
 - Central Air Conditioner Maintenance
 - Heat Pump Maintenance
- Residential Home Performance Program
- Residential Low Income Programs
- Commercial HVAC Efficiency Program
 - Central Air Conditioner Maintenance
 - Heat Pump Maintenance
 - Energy Star Water Heaters
- Commercial Products Efficiency Program
 - T8 lamps
 - T5 lights
 - LED Exit Signs
 - Occupancy Sensors
 - CFLs
 - Smart Strips
- Government & non-Profit Lighting Efficiency Program
 - T8 lamps
 - CFLs
 - LED Exit Signs
 - LED Traffic Signals

Level II: Custom Measurements

Level II Custom Measurements are appropriate for custom programs and measures and where on-site measurement is preferred over the Level 1: Deemed Savings approach. Pre-installation and post-installation energy use and energy savings will be estimated using engineering calculations and/or one-time or short-term in-situ end-use measurements. The demand reduction will be estimated or measured using one-time or short-term measurements. One-time measurements will be used where the operating factor and hours of operation are consistent.

Short-term measurements will be used where the operating factor and the hours of operation are highly variable. The difference between one-time measurement and short-term measurement is that for a one-time measurement, a "snap-shot" is taken pre-installation and post-installation, whereas for a short-term measurement portable monitoring equipment is installed for up to a week to measure the pre-installation and/or post-installation performance of the specific measure installed.

Applicable Programs and Measures:

- Custom Technology Applications Program
- Custom Applications Program
- Rate-based Programs
- Demand Response Programs

Allegheny Power will create a database of participating customers including their application date, installation date, incentive date and amount (where applicable), customer input regarding their impression of the effectiveness of the measures and any commentary they wish to provide along with the appropriate measurement algorithms and measurement methodologies.

6.1.3. Describe process for collecting and addressing participating customer, contractor and trade ally feedback (e.g., suggestions and complaints).

Customer satisfaction surveys will be completed to assess awareness of the EE&C and DR Plan, to assess satisfaction with programs and measures, and to solicit customer suggestions. This data will be collected as a part of existing surveys and as a part of measurement and verification. In addition, Allegheny will conduct EE&C Plan specific surveys if conditions warrant and budget permits.

Customers may also provide feedback to the customer service center via phone, mail, email, or online. The customer contact will be handled through a self-service option if available and selected, or it will be processed by a customer service representative. All contacts are recorded in a contact management system. The program manager and/or implementation provider will be responsible for handling escalated customer issues.

Contractor and trade ally feedback will be collected primarily through the program managers and implementation providers. Secondly, this information will be collected via account managers and customers. All data and information will be recorded in a contact management system.

6.2 Describe any planned market and process evaluations and how results will be used to improve programs.

The Company's EM&V contractor will complete on-going process evaluation of its EE&C and DR Plan. Program managers and program developers will review programs and measures monthly to assess current Plan performance to target for all Plan metrics. Should results fall short of expectations, Allegheny Power will consider completing a market assessment study to better understand its market base.

Allegheny Power has contracted with Roth Bros., Inc.⁸⁰ to complete a market assessment of the demand response potential in Allegheny Power's commercial, industrial and government customer base. This study will focus on identifying a controllable load reduction and assigning confidence levels. As part of this study, the vendor will review the impact of the discontinuation of the PJM Interruptible Load Response program in 2012.

6.3 Describe strategy for coordinating with the statewide EE&C Plan Evaluator (nature and type of data will be provided in a separate Commission Order).

Allegheny Power will assign an Allegheny Power EM&V coordinator to serve as a liaison between the Company, the Company's EM&V contractor, and the statewide Plan Evaluator. Allegheny Power views this as a collaborative effort and welcomes the review and input from the statewide Plan Evaluator.

⁸⁰ See Section 4.3 for additional information on Roth Bros. Inc.

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7. Cost-Recovery Mechanism

- 7.1 Provide the amount of total annual revenues as of December 31, 2006, and provide a calculation of the total allowable EE&C costs based on 2% of that annual revenue amount.

	Energy Consumption Forecast (MWh) 06/2009 - 05/2010		Annual 2006 Revenues (\$) With ITC	
Residential	7,231,347	35%	\$494,664,993	42%
Commercial	5,097,326	24%	\$293,832,582	25%
Industrial	8,557,651	41%	\$382,115,769	32%
Street Lighting	52,326	0%	\$7,516,761	1%
Retail Billed MWh Sales	20,938,650		\$1,178,130,105	

Consumption Reduction Targets (MWh)		
Year Ending May 31, 2011	209,387	1%
Year Ending May 31, 2013	628,160	3%

Peak Demand Reduction Target (MW)		
Year Ending May 31, 2013	157	4.5%

Annual Expenditure Cap	With ITC
Residential	\$9,893,300
Commercial	\$5,876,652
Industrial	\$7,642,315
Street Lighting	\$150,335
	\$23,562,602
	2%

- 7.2 Description of plan in accordance with 66 Pa. C.S. §§ 1307 and 2806.1 to fund the energy efficiency and conservation measures, to include administrative costs.

For non-residential customers, Allegheny Power proposes to recover all EE&C program costs (respective to the allocation and cost structure described below in 7.5) via a separately stated non-bypass able line-item bill surcharge entitled EE&C Surcharge, which is provided in accordance with 66 Pa. C.S. §§ 1307 and 2806.1. For residential customers, EE&C program costs are recovered as an addition to the currently approved distribution rates. The EE&C Surcharge is designed on a levelized basis over the 43-month period beginning November 2009 and running through May 31, 2013, as adjusted for actual surcharge revenues already billed and forecasted revenues to be billed for the remainder of 2010. Subject to the annual reconciliation mechanism described below, the implementation of a levelized surcharge helps mitigate the peaks and valleys that may otherwise occur if the surcharge had not been designed on a levelized basis.

Allegheny Power 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 costs levelized through May 2013

based upon actual costs incurred through February and any revised estimates for future months, up to the amount permitted to be recovered under Act 129; and (4) the subsequent reconciliation effect to the 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. A final reconciliation of amounts to be collected or refunded after May 31, 2013, through a further surcharge, should be authorized by the Commission. The purpose of this annual reconciliation mechanism is to mitigate the magnitude of the reconciliation balance. Commission approval of this annual reconciliation mechanism to ensure dollar for dollar recovery of all prudently incurred costs through May 31, 2013, with a projected aggregated cost of \$94.25 million, will allow the Company to utilize regulatory accounting to properly match surcharge revenue with the program costs. Allegheny Power is requesting authorization for regulatory accounting to track on a dollar for dollar basis the amounts to be recovered on a deferred basis for any under-collections, or refunded on a deferred basis any over-collections, that may occur throughout the lifespan of the surcharge, which can arise because of the levelized nature of the surcharge.

7.3 Provide data tables (see Tables 6A, 6B, and 6C).

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Residential Portfolio (including Low-Income)							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
CFI Rewards Program	\$0	\$0	\$0	\$0	\$1,174,369	\$0	\$1,174,369
Critical Peak Rebate Rate Offering	\$0	\$0	\$0	\$0	\$610,830	\$0	\$610,830
Energy Star Appliance Program	\$0	\$0	\$4,091,452	\$0	\$6,015,246	\$0	\$10,106,698
Home Performance Program	\$374,721	\$0	\$2,217,820	\$0	\$3,373,158	\$0	\$5,965,699
Low Income Home Performance Check-Up & Appliance Replacement Program	\$17,623	\$0	\$362,280	\$0	\$4,238,554	\$0	\$4,618,457
Low Income Joint Utility Usage Management Program	\$41,781	\$0	\$362,280	\$0	\$5,427,276	\$0	\$5,831,337
Residential Whole Home Appliance Efficiency Program	\$0	\$0	\$0	\$0	\$974,506	\$0	\$974,506
							\$0
Totals	\$434,125	\$0	\$7,033,832	\$0	\$21,813,940	\$0	\$29,281,896

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Small Commercial/Industrial Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Commercial HVAC Efficiency Program	\$0	\$0	\$0	\$0	\$172,669		\$172,669
Commercial Products Efficiency Program	\$0	\$0	\$0	\$0	\$11,891,042	\$0	\$11,891,042
Custom Technology Program	\$0	\$0	\$1,150,530	\$0	\$4,425,116	\$0	\$5,575,646
Time of Use with Critical Peak Pricing Program	\$0	\$0	\$0	\$0	\$199,713	\$0	\$199,713
							\$0
Totals	\$0	\$0	\$1,150,530	\$0	\$16,688,539	\$0	\$17,839,069

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Large Commercial/Industrial Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Commercial & Industrial Custom Applications Program	\$0	\$0	\$373,333	\$0	\$8,400,000	\$0	\$8,773,333
Customer Load Response Program	\$10,500	\$0	\$0	\$0	\$908,250	\$0	\$918,750
Customer Resources for Demand Response	\$20,000	\$0	\$0	\$0	\$2,150,000	\$0	\$2,170,000
Distributed Generation Program	\$0	\$0	\$0	\$0	\$372,750	\$0	\$372,750
							\$0
Totals	\$30,500	\$0	\$373,333	\$0	\$11,831,000	\$0	\$12,234,833

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Governmental/Non-Profit Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment	
Governmental/Non-Profit Lighting Program	\$0	\$0	\$0	\$0	\$3,378,014	\$0	\$3,378,014
							\$0
Totals	\$0	\$0	\$0	\$0	\$3,378,014	\$0	\$3,378,014

Table 6B: Allocation of Common Costs to Applicable Customer Sector

Common Cost Element	Total Cost (\$)	Basis for Cost Allocation	Class Cost Allocation (\$)			
			Residential (Including Low-Income)	Commercial/Industrial -- Small	Commercial/Industrial -- Large	Governmental/Non-profit
Administration Costs	\$17,676,254	Energy usage, program level and measure share allocation	\$7,019,605	\$5,340,941	\$4,177,632	\$1,138,077
Marketing Costs	\$9,061,373	Program and measure level marketing plan	\$8,040,461	\$640,080	\$78,912	\$301,920
Outside Services Costs	\$1,088,178	Program requirements and participation levels	\$281,682	\$804,216	\$0	\$2,280
Evaluation Costs	\$3,690,375	Program level EMV plan	\$1,723,640	\$1,046,283	\$679,437	\$241,014
Customer Incentive Costs	\$0		\$0	\$0	\$0	\$0
Utility Capital Equipment Costs	\$0		\$0	\$0	\$0	\$0
Totals	\$31,516,180		\$17,065,388	\$7,831,520	\$4,935,981	\$1,683,291

Table 6C: Summary of Portfolio EE&C Costs

Portfolio	Total Sector Portfolio-specific Costs	Total Common Costs	Total of All Costs
Residential (Including Low-Income)	\$29,281,896	\$17,065,388	\$46,347,284
Commercial/Industrial -- Small	\$17,839,069	\$7,831,520	\$25,670,590
Commercial/Industrial -- Large	\$12,234,833	\$4,935,981	\$17,170,814
Governmental/Non-profit	\$3,378,014	\$1,683,291	\$5,061,304
Totals	\$62,733,812	\$31,516,180	\$94,249,992

7.4 Provide and describe tariffs and a Section 1307 cost recovery mechanism. Provide all calculations and supporting cost documentation.

Residential program costs are allocated entirely to Tariff No. 39 residential Rate Schedule 10, whereas commercial, industrial, government, school and non-profit program costs are allocated to the various Tariff No. 39 non-residential rate schedules and Tariff No. 37 based on the programs attributable to each rate schedule/tariff. This allocation is described more fully below in 7.5 and is done to align cost recovery with the customer class that will receive the direct energy and conservation benefits.

Following the appendices is a pro-forma tariff for Tariff No. 39 and Tariff No. 37 describing the proposed surcharge (which is provided in accordance with 66 Pa. C.S. §§ 1307 and 2806.1) and the calculations and supporting cost documentation.

Allegheny Power respectfully requests Commission approval to begin surcharge recovery effective on one day's notice on the portions of the plan the Commission has approved.

7.5 Describe how the cost recovery mechanism will ensure that measures approved are financed by the same customer class that will receive the direct energy and conservation benefits.

The various EE&C programs proposed by Allegheny Power have a target market of residential, commercial, industrial, government, school and/or non-profit customers. With the exception of the Tariff No. 39 residential customer class and Tariff No. 37, Allegheny Power does not have retail rate schedules available separately for customer classes, such as commercial, industrial, government, school or non-profit customers. Instead, Allegheny Power's Tariff No. 39 non-residential rate schedules are available based upon customer size (i.e., minimum monthly billing demand) and service voltage.

The Tariff No. 39 retail rate schedules can generally be grouped into the following customer classes:

- Residential
 - Schedule 10 - Residential rate schedule available to all residential service customers.
- Commercial
 - Schedule 20 - General Service rate schedule available to all non-residential customers, but designed for customers with a billing demand under 100 kW.
 - Schedule 22 - General Service rate schedule available to churches and schools. Schedule 22 was closed to new customers as of August 30, 1979.
- Commercial & Industrial
 - Schedule 30 - Mid-size commercial and industrial rate schedule available to customers with a billing demand of 100 kW or greater. This rate schedule consists of a very wide spectrum of customers since billing demands range from 100 kW to 2,000 kW. Due to such a wide spectrum of customers, a convenient delineation point is the 500 kW threshold established in the Retail Electric Default Service Program and Competitive Procurement Plan at Docket No. P-00072342. This delineation point separates Schedule 30 customers into those with a billed demand less than 500 kW and those with a billed demand of 500 kW or greater, and can also generally be used to group customers into a small commercial and industrial class and a large commercial and industrial class. As such, Schedule 30 customers with a billed demand less than 500 kW can be generally considered small commercial and industrial customers and are identified as "Schedule 30 (small)"; whereas Schedule 30 customers with a billed demand of 500 kW or greater can be generally considered large commercial and industrial customers and are identified as "Schedule 30 (large)."
- Industrial
 - Schedule 40 - Large industrial rate schedule available to customers with a billing demand of 2,000 kW or greater, with a service voltage of 25 kV or greater.
 - Schedule 41 - Large industrial rate schedule available to customers with a billing demand of 2,000 kW or greater, with a service voltage of 25 kV or greater. Schedule 41 was closed to new customers as of December 31, 1998.
 - Schedule 44 - Large interruptible industrial rate schedule available to customers with a billing demand of 5,000 kVA or greater, with a service voltage of 25 kV or greater. Schedule 44 was closed to new customers as of December 31, 1998.

Schedule 46 - Large industrial rate schedule available to customers with a billing demand of 30,000 kVA or greater, with a service voltage of 25 kV or greater. Schedule 46 was closed to new customers as of December 31, 1998.

- Government/School/Non-Profit

Government, school and non-profit customers are served on suitable non-residential rate schedules based on the size of their electrical load.

Tariff No. 37 provides service to Pennsylvania State University's main campus at University Park in State College, Pennsylvania, and for the purposes of EE&C programs is classified similarly as Tariff No. 39 Schedule 30 (large).

Although not perfect, the above groupings of Tariff No. 39 rate schedules and Tariff No. 37 into various customer classes provides a better means to match EE&C programs with the customer class for which such programs are designed.

For non-residential customers, Allegheny Power proposes to collect the costs of EE&C programs through a separately stated non-bypassable line-item bill surcharge that will be specific to each designated Tariff No. 39 rate schedule and Tariff No. 37. For residential customers, EE&C program costs are recovered as an addition to the currently approved distribution rates. The residential EE&C program allocation is straightforward since Allegheny Power has only one residential rate schedule, which means all residential EE&C programs are allocated to Tariff No. 39 Schedule 10.

With the exception of Tariff No. 37, the commercial, industrial, government, school, and non-profit EE&C program cost allocation is more complicated, since Allegheny Power does not have Tariff No. 39 rate schedules dedicated solely to one specific class of customer. However, to align cost recovery with the customer class that will receive the direct energy and conservation benefits, the allocation of the non-residential EE&C programs follow the same guidelines as the target market and the previously discussed rate schedule/tariff customer class groupings. A summary of the non-residential EE&C program cost allocation is provided below:

Non-Residential									
Tariff Classification	Commercial HVAC Efficiency Program	Commercial Products Efficiency Program	Governmental/ Non-Profit Traffic Signals Measure	Custom Technology & Applications Program	Custom Applications Program	Customer Load Response Program	Customer Resources Demand Response Program	Distributed Generation Program	Time of Use (TOU) with Critical Peak Pricing Rate
Tariff No. 39, Schedule 20	X	X	X						X
Tariff No. 39, Schedule 22	X	X							X
Tariff No. 39, Schedule 30 (small)	X	X		X		X	X	X	X
Tariff No. 39, Schedule 30 (large)		X		X		X	X	X	
Tariff No. 39, Schedule 40					X	X	X	X	
Tariff No. 39, Schedule 41					X	X	X	X	
Tariff No. 39, Schedule 44					X	X	X	X	
Tariff No. 39, Schedule 46					X	X	X	X	
Tariff No. 37		X			X	X	X	X	

Although not all non-residential customers taking service under each rate schedule/tariff will participate in each and every program, the above allocation attributes programs to each of the various rate schedules/tariff where the customer(s) taking service are most likely to have an application that permits them to participate in the program. However, even if costs of a program are not presently allocated to a given rate schedule/tariff, that does not mean that customer(s) on the rate schedule/tariff are not eligible to participate. It just means that the number of participating customer(s) taking service under the rate schedules/tariff that have not been allocated costs is not assumed to be significant. However, should it be determined that the number of customers participating in a given program that has not been allocated costs becomes significant, a redesigned allocation methodology will be proposed so that EE&C Plan costs and benefits are best aligned. A brief description of the allocation methodology for each non-residential EE&C program is provided below:

- Commercial HVAC Efficiency Program. The Commercial HVAC Efficiency Program was allocated only to Schedules 20, 22 and 30 (small). Schedule 30 (large) and Tariff No. 37 would typically have HVAC beyond or not significantly within the scope of the target market. Schedules 40, 41, 44 and 46 customers are assumed to have very few, if any, air conditioning applications.
- Commercial and Government/Non-Profit Products/Lighting Efficiency Programs:
 - T8, T5 and CFL Lighting. The T8, T5 and CFL Lighting Efficiency measures would typically be allocated only to Schedules 20, 22 and 30 (small). However, Allegheny Power wanted to recognize that Schedule 30 (large) and Tariff No. 37 would include customers with buildings and the potential to take advantage of such a program. Although Schedule 30 (large) and Tariff No. 37 customers have a larger electrical load requirement than Schedule 30 (small) customers, the larger electrical load requirement is not necessarily attributable to an increased lighting requirement but can instead be attributable to other factors such as additional motors, larger HVAC equipment, etc. Therefore, to recognize that Schedule 30 (large) and Tariff No. 37 customers could have the potential to take advantage of the T8, T5 and CFL Lighting Efficiency measures, a rate was designed so that these customers would pay, on average, an amount proportional on a demand basis to the same average monthly amount as Schedule 30 (small) customers. Schedules 40, 41, 44 and 46 customers are assumed to have an insignificant number of T8, T5 and CFL lighting applications.
 - LED Exit Signs. Similar to the T8, T5 and CFL Lighting Efficiency measures, the LED Exit Signs Program would typically be allocated only to Schedules 20, 22 and 30 (small). However, Allegheny Power wanted to recognize that Schedule 30 (large) and Tariff No. 37 would include customers with buildings and the potential to take advantage of such a program. Using the same methodology previously discussed, a rate was designed so that these customers

would pay, on average, an amount proportional on a demand basis to the same average monthly amount as Schedule 30 (small) customers. Schedules 40, 41, 44 and 46 customers are assumed to have an insignificant number of LED exit sign applications.

- Occupancy Sensors and Smart Strips. Similar to the LED Exit Signs measure, the Occupancy Sensors and Smart Strips measures would typically be allocated only to Schedules 20, 22 and 30 (small). However, Allegheny Power wanted to recognize that Schedule 30 (large) and Tariff No. 37 would include customers with buildings and the potential to take advantage of such a program. Using the same methodology previously discussed, a rate was designed so that these customers would pay, on average, an amount proportional on a demand basis to *the same average monthly amount as Schedule 30 (small) customers*. Schedules 40, 41, 44 and 46 customers are assumed to have an insignificant number of occupancy sensor and smart strip applications.
- LED Traffic Signals. General Service Schedule 20 is the only rate schedule grouping in which LED Traffic Signals would be applicable. Therefore, all LED Traffic Signal Program costs were allocated to Schedule 20.
- Custom Technology Applications Program. Since the Custom Technology Applications Program is designed for customers with usage between 1 million up to 2.5 million kWhs per year, the program costs were allocated to Schedules 30 (small) and 30 (large). Schedules 40, 41, 44, 46, and Tariff No. 37 customers are assumed to participate in the Custom Applications Program.
- Custom Applications Program. Since the Custom Applications Program is designed for Allegheny Power's 550 largest customers, the program costs were allocated to Schedules 30 (large), 40, 41, 44, 46, and Tariff No. 37.
- Customer Load Response Program. Since the Customer Load Response Program is designed for customers with a demand of at least 300 kW or greater, the program costs were allocated to Schedules 30 (small), 30 (large), 40, 41, 44 and 46, and Tariff No. 37.
- Customer Resources Demand Response Program. Since the Customer Resources Demand Response Program is designed for customers larger than 300 kW the program costs were allocated to Schedules 30 (small), 30 (large), 40, 41, 44 and 46, and Tariff No. 37.
- Distributed Generation Program. Since the Distributed Generation Program is designed for customers larger than 300 kW the program costs were allocated to Schedules 30 (small), 30 (large), 40, 41, 44 and 46, and Tariff No. 37.
- TOU Program. Since Schedules 30 (large), 40, 41, 44, 46, and Tariff No. 37 are already subject to hourly-pricing for default generation service, subject to the terms and conditions contained in the Company's Retail Electric Default Service Program and Competitive Procurement Plan at Docket No. P-00072342, the program costs for

TOU Program plan management and reporting requirements were allocated to Schedules 20, 22 and 30 (small).

Once program costs are allocated to each rate schedule/tariff, cost recovery is accomplished via a per kilowatt-hour energy surcharge for Schedules 10, 20, and 22 since the majority of customers on these rate schedules presently do not have demand meters. Since all customers on Schedules 30 (small), 30 (large), 40, 41, 44, 46 and Tariff No. 37 have meters capable of recording demand, cost recovery for Schedule 30 (small) will be accomplished via a per kilowatt-hour energy surcharge and a per kilowatt demand surcharge, and cost recovery for Schedule 30 (large), 40, 41, 44, 46 and Tariff No. 37 will be accomplished via a per kilowatt PJM peak load contribution. The EE&C program costs allocated to Schedule 30 (small) is separated into an energy-related portion and a demand-related portion, based upon the resultant load factor calculated from the energy and demand savings projections for each program.

The EE&C Surcharge is designed on a levelized basis over the 43-month period beginning November 2009 and running through May 31, 2013, as adjusted for actual surcharge revenues already billed and forecasted revenues to be billed for the remainder of 2010. Subject to the annual reconciliation mechanism described above in 7.2, the surcharge for each rate schedule/tariff is provided below:

Tariff Classification	\$ per kWh	\$ per kW	\$ per kW PLC
Tariff No. 39, Schedule 10	\$ 0.00182	\$ -	\$ -
Tariff No. 39, Schedule 20	\$ 0.00158	\$ -	\$ -
Tariff No. 39, Schedule 22	\$ 0.00146	\$ -	\$ -
Tariff No. 39, Schedule 30 (small)	\$ 0.00110	\$ 0.47	\$ -
Tariff No. 39, Schedule 30 (large)	\$ -	\$ -	\$ 0.82
Tariff No. 39, Schedule 40	\$ -	\$ -	\$ 0.39
Tariff No. 39, Schedule 41	\$ -	\$ -	\$ 0.39
Tariff No. 39, Schedule 44	\$ -	\$ -	\$ 0.39
Tariff No. 39, Schedule 46	\$ -	\$ -	\$ 0.39
Tariff No. 37	\$ -	\$ -	\$ 0.52

Allegheny Power projects its total program costs, including customer incentives, start-up costs and administrative costs, to be approximately \$94.25 million. Commission approval of the annual reconciliation mechanism (described above in 7.2) to ensure dollar for dollar recovery of all prudently incurred costs through May 31, 2013, with a projected aggregated cost of \$94.25 million, will allow the Company to utilize regulatory accounting to properly match surcharge revenue with the program costs. Allegheny Power is requesting authorization for regulatory accounting to track on a dollar for dollar basis the amounts to be recovered on a deferred basis for any under-collections, or refunded on a deferred basis any over-collections, that may occur throughout the lifespan of the surcharge, which can arise because of the levelized nature of the surcharge.

Customer bill impacts from the EE&C Surcharge will vary based upon customer consumption levels and the magnitude of default service generation rates. A range of customer total bill impacts averaged over the 43-month period, based upon average customer energy/demand consumption and assumed default service generation rates, is provided below:

Tariff Classification	Avg Total Bill Impact
Tariff No. 39, Schedule 10	1.9%
Tariff No. 39, Schedule 20	1.8%
Tariff No. 39, Schedule 22	1.4%
Tariff No. 39, Schedule 30 (small)	2.8%
Tariff No. 39, Schedule 30 (large)	2.2%
Tariff No. 39, Schedule 40	1.0%
Tariff No. 39, Schedule 41	1.0%
Tariff No. 39, Schedule 44	1.2%
Tariff No. 39, Schedule 46	0.9%
Tariff No. 37	1.7%

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**8. Cost Effectiveness****8.1 Explain and demonstrate how the proposed plan will be cost effective as defined by the Total Resource Cost Test (TRC) specified by the Commission.**

The Company performed TRC testing in accordance with the draft PA specific TRC test provided by Secretarial Letter on May 21, 2009. The Company reviewed the final PA specific TRC test order as adopted on June 18, 2009 and entered on June 23, 2009, and amended its filing on July 31, 2009 in accordance with changes to the TRC testing. The TRC testing completed as part of this filing was completed in accordance with the final PA specific TRC test order.

Allegheny Power supports the use of the TRC test in assessing the cost-effectiveness of the plan. The TRC test is the broadest in scope without including externalities. The TRC test includes the participants cost, the program administrator costs and the avoided supply costs and thus provides a basis of comparing both supply-side and demand-side options.

Evaluations were conducted at the individual measure basis and Allegheny Power focused on including those measures which were determined to be cost-effective as part of the plan. Allegheny Power did include some measures which were not determined to be cost-effective or were cost neutral in order to meet the requirements of the plan, and plans to evaluate the actual benefits/costs of measures and will consider or propose revisions be made to the plan to ensure the Company meets its savings targets in a cost-effective manner.

8.2 Provide data tables (see Tables 7A thru 7E).

The Company has projected the expected benefits and costs associated with the energy efficiency and conservation programs. The tables below summarize the expected benefits, and costs for the individual programs that the Company proposes to implement in the Plan. The Company has spent a considerable effort in the assumptions used in its cost-effectiveness models, such as participation rates, rebate levels, cost of equipment, savings, etc. The Company looks forward to obtaining additional program performance in order to improve both Program Design and Modeling.

Table 7A: TRC Benefits Table

o Submit yearly projections for each program thru first year of that program for TRC evaluation.

Residential	Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	TRC Benefits By Program Per Year (\$000)				Load Reductions in kW		MWh Saved	
						Capacity Annual		Energy Annual		Annual	Lifetime	Annual	Lifetime
						Generation	Trans/Dist	Peak	Off Peak				
CFL Rewards Program	1		\$-179,115	\$835,467	\$116,153	\$6,263	\$41,501	\$26,594	\$41,794	82	82	1,508	1,508
	2		\$678,572	\$1,107,624	\$1,786,196	\$90,817	\$674,063	\$406,648	\$614,669	1,178	1,260	21,674	23,182
	3		\$2,844,436	\$1,466,648	\$4,311,076	\$128,858	\$1,600,502	\$1,011,115	\$1,569,601	1,211	2,971	31,475	54,657
	4		\$5,462,234	\$1,490,615	\$6,952,850	\$31,018	\$2,306,166	\$1,889,336	\$2,406,330	1,810	4,781	33,301	87,958
	5		\$7,172,675	\$0	\$7,172,675	\$52,256	\$2,599,761	\$1,758,053	\$2,762,604	0	4,781	0	68,196
	6		\$5,970,807	\$0	\$5,970,807	\$54,687	\$2,021,034	\$1,481,443	\$2,409,644	0	4,690	0	55,192
	7		\$5,074,530	\$0	\$5,074,530	\$56,250	\$1,642,184	\$1,282,022	\$2,094,072	0	4,690	0	41,355
	8		\$3,970,443	\$0	\$3,970,443	\$44,108	\$1,287,714	\$1,014,927	\$1,633,693	0	4,690	0	21,260
	9		\$2,149,389	\$0	\$2,149,389	\$23,731	\$692,802	\$449,845	\$883,013	0	1,810	0	0
Critical Peak Rebate Rate Offering	1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2		\$-295,265	\$295,265	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	3		\$-49,501	\$328,636	\$279,136	\$211,171	\$14,258	\$53,706	\$0	4,869	4,869	487	487
	4		\$-106,354	\$258,158	\$151,803	\$47,665	\$21,603	\$82,535	\$0	7,347	7,347	735	735
Energy Star Appliance Program	1		\$-1,754,944	\$1,943,810	\$188,866	\$38,237	\$55,393	\$55,924	\$39,311	501	501	2,013	2,013
	2		\$4,167,069	\$5,448,782	\$1,281,713	\$245,127	\$398,678	\$379,372	\$258,537	2,901	3,401	11,698	13,711
	3		\$4,574,688	\$7,391,437	\$2,816,829	\$337,362	\$920,320	\$923,222	\$637,226	4,377	7,779	17,718	31,429
	4		\$3,097,520	\$7,329,410	\$4,231,900	\$82,205	\$1,506,383	\$1,553,256	\$1,090,046	4,903	12,672	19,804	51,233
	5		\$5,146,146	\$-575,592	\$4,570,554	\$136,065	\$1,511,728	\$1,609,804	\$1,132,957	0	12,450	0	51,146
	6		\$5,387,217	\$-572,493	\$4,814,724	\$127,689	\$1,502,292	\$1,725,411	\$1,259,332	0	11,164	0	50,642
	7		\$5,537,801	\$-570,723	\$4,967,078	\$110,407	\$1,484,127	\$1,810,019	\$1,335,976	0	9,224	0	49,890
	8		\$5,627,253	\$-587,438	\$5,039,814	\$88,178	\$1,526,669	\$1,852,489	\$1,352,278	0	7,055	0	49,029
	9		\$5,866,942	\$-585,498	\$5,281,443	\$92,072	\$1,590,152	\$1,837,117	\$1,422,102	0	7,023	0	48,798
	10		\$5,957,388	\$-584,064	\$5,373,323	\$93,823	\$1,618,392	\$1,668,692	\$1,432,516	0	6,830	0	47,456
	11		\$5,946,673	\$-582,843	\$5,363,830	\$93,436	\$1,619,720	\$1,957,250	\$1,413,224	0	6,515	0	45,384
	12		\$5,762,609	\$-587,293	\$5,175,316	\$89,003	\$1,574,219	\$1,904,447	\$1,348,646	0	5,857	0	42,148
	13		\$5,178,239	\$-565,976	\$4,612,263	\$78,301	\$1,474,108	\$1,708,895	\$1,275,249	0	4,980	0	37,713
	14		\$4,075,097	\$-356,029	\$3,719,068	\$66,767	\$1,216,698	\$1,354,201	\$1,067,402	0	3,693	0	30,233
	15		\$2,269,840	\$0	\$2,269,840	\$37,832	\$767,962	\$778,834	\$685,211	0	2,197	0	17,939
	16		\$1,252,253	\$0	\$1,252,253	\$20,897	\$429,880	\$429,165	\$372,111	0	1,159	0	9,595
	17		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	238
	18		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	126
Home Performance Program	1		\$-1,024,378	\$1,061,565	\$38,187	\$2,059	\$13,644	\$8,743	\$13,743	27	27	496	496
	2		\$-426,669	\$1,851,213	\$1,424,544	\$122,490	\$509,730	\$307,599	\$464,816	1,674	1,700	17,055	17,531
	3		\$182,853	\$2,938,234	\$3,121,087	\$122,262	\$1,132,249	\$716,011	\$1,110,288	2,042	3,741	21,136	38,667
	4		\$273,846	\$3,075,291	\$3,349,137	\$28,499	\$1,425,168	\$930,948	\$1,458,322	2,029	4,424	21,594	48,471
	5		\$2,997,310	\$0	\$2,997,310	\$33,538	\$1,082,113	\$731,764	\$1,149,894	0	3,069	0	36,611
	6		\$1,768,059	\$0	\$1,768,059	\$19,506	\$597,922	\$438,442	\$712,188	0	1,705	0	20,156
	7		\$1,558,348	\$0	\$1,558,348	\$20,091	\$403,380	\$399,979	\$641,897	0	1,679	0	16,918
	8		\$1,333,697	\$0	\$1,333,697	\$17,765	\$431,584	\$340,198	\$544,190	0	1,418	0	13,860
	9		\$937,890	\$0	\$937,890	\$13,441	\$301,300	\$239,128	\$384,022	0	1,025	0	9,246
	10		\$413,873	\$0	\$413,873	\$8,041	\$139,425	\$110,417	\$175,990	0	586	0	4,088
	11		\$451,080	\$0	\$451,080	\$8,415	\$145,911	\$114,366	\$182,388	0	586	0	4,088
	12		\$469,010	\$0	\$469,010	\$8,807	\$152,699	\$119,156	\$188,348	0	586	0	4,088
	13		\$483,344	\$0	\$483,344	\$9,216	\$158,803	\$121,643	\$192,681	0	586	0	4,088
	14		\$442,748	\$0	\$442,748	\$8,570	\$148,501	\$109,976	\$175,612	0	521	0	3,633
	15		\$199,407	\$0	\$199,407	\$3,911	\$67,805	\$46,913	\$78,791	0	227	0	1,584
Residential Whole Home Appliance Efficiency Program	1		\$-773,467	\$773,467	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2		\$-997,413	\$1,139,694	\$142,281	\$33,297	\$41,394	\$11,659	\$34,833	463	463	1,458	1,458
	3		\$-2,381,439	\$3,000,536	\$619,097	\$92,886	\$197,316	\$155,482	\$173,413	1,678	2,142	5,280	6,738
	4		\$-2,434,701	\$3,474,180	\$1,039,478	\$26,064	\$371,664	\$300,445	\$341,205	1,876	4,018	5,902	12,641
	5		\$544,476	\$540,017	\$1,084,512	\$43,910	\$373,618	\$311,570	\$355,415	0	4,018	0	12,641
	6		\$604,621	\$552,116	\$1,156,737	\$45,953	\$374,986	\$357,480	\$398,119	0	4,018	0	12,641
	7		\$651,789	\$564,466	\$1,216,256	\$48,091	\$376,107	\$364,724	\$447,334	0	4,018	0	12,641
	8		\$678,642	\$577,092	\$1,255,735	\$50,328	\$393,605	\$373,645	\$438,157	0	4,018	0	12,641
	9		\$690,420	\$590,001	\$1,280,420	\$47,951	\$401,180	\$374,628	\$456,655	0	3,658	0	12,311
	10		\$587,958	\$603,198	\$1,191,156	\$32,301	\$379,181	\$330,466	\$449,205	0	2,354	0	11,119
	11		\$455,756	\$616,691	\$1,072,446	\$12,887	\$349,252	\$273,745	\$416,762	0	898	0	9,786
	12		\$484,540	\$630,485	\$1,115,025	\$13,486	\$365,506	\$285,210	\$405,829	0	898	0	9,786
	13		\$504,394	\$644,588	\$1,148,982	\$14,114	\$382,504	\$291,164	\$441,208	0	898	0	9,786
	14		\$525,428	\$659,066	\$1,184,494	\$14,776	\$400,100	\$296,272	\$473,072	0	898	0	9,786
	15		\$549,556	\$673,747	\$1,223,303	\$15,457	\$418,923	\$302,201	\$486,722	0	898	0	9,786
	16		\$506,031	\$699,367	\$1,115,398	\$14,311	\$387,844	\$274,997	\$438,246	0	794	0	8,657
	17		\$-328,822	\$328,822	\$0	\$0	\$0	\$0	\$0	0	419	0	4,569

Table 7B: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Residential Low-Income	TRC Benefits By Program Per Year (\$000)											
	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions		MWh Saved	
					Annual	Annual	Annual	Lifetime	Annual	Lifetime		
Low Income Home Performance Check-Up & Appliance Replacement Program	1	-\$197,928	\$217,220	\$19,292	\$4,427	\$5,614	\$3,598	\$5,654	58	58	204	204
	2	-\$122,638	\$367,116	\$244,479	\$53,460	\$75,947	\$45,817	\$69,255	684	742	2,408	2,612
	3	-\$23,970	\$341,564	\$317,594	\$44,036	\$104,689	\$66,202	\$102,667	274	1,015	963	3,575
	4	\$27,797	\$329,948	\$357,745	\$8,184	\$130,604	\$85,313	\$133,643	246	1,262	867	4,442
	5	\$373,377	\$0	\$373,377	\$13,788	\$131,291	\$88,784	\$139,515	0	1,262	0	4,442
	6	\$399,779	\$0	\$399,779	\$14,429	\$131,771	\$96,625	\$156,954	0	1,262	0	4,442
	7	\$399,732	\$0	\$399,732	\$14,407	\$126,094	\$98,439	\$160,792	0	1,204	0	4,238
	8	\$180,255	\$0	\$180,255	\$6,511	\$56,983	\$44,912	\$71,850	0	520	0	1,830
	9	\$89,897	\$0	\$89,897	\$3,227	\$28,248	\$22,419	\$36,003	0	246	0	867
Low Income Joint Utility Usage Management Program	1	-\$403,652	\$451,205	\$47,553	\$7,456	\$15,143	\$9,704	\$15,250	98	98	550	550
	2	-\$1,451,455	\$1,784,172	\$332,717	\$49,494	\$112,606	\$67,933	\$102,684	589	687	3,322	3,873
	3	-\$1,226,149	\$1,833,713	\$607,564	\$55,491	\$211,274	\$133,604	\$207,195	593	1,279	3,342	7,215
	4	-\$1,816,876	\$2,661,429	\$844,553	\$12,169	\$310,999	\$203,151	\$318,234	596	1,876	3,362	10,577
	5	\$876,766	\$0	\$876,766	\$20,500	\$312,634	\$211,415	\$332,217	0	1,876	0	10,577
	6	\$939,062	\$0	\$939,062	\$21,454	\$313,779	\$230,086	\$373,743	0	1,876	0	10,577
	7	\$984,181	\$0	\$984,181	\$22,452	\$314,717	\$245,693	\$401,319	0	1,876	0	10,577
	8	\$1,027,735	\$0	\$1,027,735	\$23,497	\$329,359	\$259,588	\$415,292	0	1,876	0	10,577
	9	\$1,082,143	\$0	\$1,082,143	\$24,590	\$344,681	\$273,558	\$439,315	0	1,876	0	10,577
	10	\$1,068,768	\$0	\$1,068,768	\$24,395	\$341,946	\$270,803	\$431,624	0	1,778	0	10,027
	11	\$743,004	\$0	\$743,004	\$17,071	\$239,282	\$187,551	\$299,101	0	1,189	0	6,705
	12	\$387,435	\$0	\$387,435	\$8,959	\$125,582	\$97,995	\$154,900	0	596	0	3,362

Table 7C: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Commercial/Industrial Small Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	TRC Benefits By Program Per Year (\$000)								
					Capacity		Energy		Load Reductions		MWh Saved		
					Annual		Annual		Annual	Lifetime	Annual	Lifetime	
					Generation	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime	
Commercial HVAC Efficiency Program	1	-\$1,139,855	\$1,139,855	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2	-\$338,518	\$371,654	\$33,136	\$17,932	\$4,156	\$6,233	\$4,815	249	249	238	238	
	3	-\$766,420	\$984,477	\$218,056	\$88,038	\$34,075	\$54,306	\$41,637	1,782	2,031	1,703	1,941	
	4	-\$712,809	\$990,434	\$277,625	\$24,862	\$64,678	\$105,176	\$82,909	1,803	3,834	1,724	3,665	
	5	\$301,500	\$0	\$301,500	\$41,885	\$65,053	\$108,908	\$85,654	0	3,834	0	3,665	
	6	\$321,464	\$0	\$321,464	\$43,834	\$65,414	\$117,508	\$94,708	0	3,834	0	3,665	
	7	\$340,334	\$0	\$340,334	\$45,873	\$65,796	\$127,580	\$101,085	0	3,834	0	3,665	
	8	\$346,790	\$0	\$346,790	\$48,007	\$68,857	\$128,952	\$100,974	0	3,834	0	3,665	
	9	\$339,356	\$0	\$339,356	\$46,978	\$67,381	\$125,362	\$99,634	0	3,585	0	3,427	
	10	\$178,056	\$0	\$178,056	\$24,729	\$35,468	\$65,395	\$52,464	0	1,803	0	1,724	
Commercial Products Efficiency Program	1	-\$1,924,253	\$2,376,307	\$452,054	\$89,808	\$99,195	\$102,323	\$160,727	1,176	1,176	5,973	5,973	
	2	-\$7,527,969	\$13,314,815	\$5,786,846	\$1,036,548	\$1,234,947	\$1,209,280	\$1,827,952	13,213	14,390	64,740	70,713	
	3	-\$2,654,210	\$19,736,745	\$17,082,535	\$1,443,910	\$2,887,340	\$2,977,746	\$4,614,028	18,918	33,308	93,777	164,490	
	4	\$8,418,018	\$20,951,007	\$29,369,025	\$334,541	\$4,532,543	\$4,827,848	\$7,560,340	18,283	51,591	92,347	256,837	
	5	\$37,129,584	\$0	\$37,129,584	\$542,396	\$4,427,146	\$4,876,534	\$7,657,147	0	49,650	0	249,419	
	6	\$38,238,897	\$0	\$38,238,897	\$540,684	\$4,276,211	\$5,090,955	\$8,265,676	0	47,293	0	239,586	
	7	\$39,534,927	\$0	\$39,534,927	\$558,608	\$4,273,005	\$5,390,087	\$8,799,027	0	46,689	0	238,018	
	8	\$40,793,401	\$0	\$40,793,401	\$583,414	\$4,446,689	\$5,692,284	\$9,097,946	0	46,594	0	236,681	
	9	\$42,230,093	\$0	\$42,230,093	\$609,429	\$4,629,623	\$5,968,958	\$9,579,882	0	46,508	0	235,464	
	10	\$43,571,344	\$0	\$43,571,344	\$637,781	\$4,845,006	\$6,233,990	\$9,932,739	0	46,508	0	235,464	
	11	\$44,905,826	\$0	\$44,905,826	\$667,453	\$5,070,410	\$6,459,350	\$10,296,431	0	46,508	0	235,464	
	12	\$46,286,231	\$0	\$46,286,231	\$698,505	\$5,306,300	\$6,731,747	\$10,636,174	0	46,508	0	235,464	
	13	\$47,475,625	\$0	\$47,475,625	\$731,001	\$5,553,164	\$6,877,501	\$10,887,917	0	46,508	0	235,464	
	14	\$48,691,215	\$0	\$48,691,215	\$765,009	\$5,811,513	\$6,998,095	\$11,166,554	0	46,508	0	235,464	
	15	\$49,996,359	\$0	\$49,996,359	\$800,600	\$6,081,881	\$7,138,536	\$11,489,575	0	46,508	0	235,464	
	16	\$50,611,415	\$0	\$50,611,415	\$816,655	\$6,203,376	\$7,157,325	\$11,400,588	0	45,332	0	229,491	
	17	\$24,927,165	\$0	\$24,927,165	\$0	\$0	\$0	\$0	0	34,068	0	172,282	
	18	\$18,976,068	\$0	\$18,976,068	\$0	\$0	\$0	\$0	0	17,601	0	88,850	
	19	\$9,870,532	\$0	\$9,870,532	\$0	\$0	\$0	\$0	0	0	0	0	
Custom Technology Program	1	-\$1,040,686	\$1,040,686	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	
	2	-\$135,961	\$561,310	\$425,349	\$73,344	\$101,753	\$99,638	\$150,614	1,018	1,018	5,826	5,826	
	3	\$281,986	\$658,707	\$940,693	\$99,975	\$231,646	\$238,899	\$370,174	1,288	2,306	7,370	13,197	
	4	\$670,368	\$663,864	\$1,334,232	\$22,561	\$351,356	\$374,248	\$586,066	1,173	3,479	6,713	19,910	
	5	\$1,391,892	\$0	\$1,391,892	\$38,009	\$353,393	\$389,265	\$611,225	0	3,479	0	19,910	
	6	\$1,505,070	\$0	\$1,505,070	\$39,777	\$355,354	\$423,059	\$686,879	0	3,479	0	19,910	
	7	\$1,585,944	\$0	\$1,585,944	\$41,628	\$357,428	\$450,869	\$736,020	0	3,479	0	19,910	
	8	\$1,661,777	\$0	\$1,661,777	\$43,564	\$374,056	\$478,836	\$765,321	0	3,479	0	19,910	
	9	\$1,751,784	\$0	\$1,751,784	\$45,591	\$391,458	\$504,706	\$810,028	0	3,479	0	19,910	
	10	\$1,824,362	\$0	\$1,824,362	\$47,712	\$409,670	\$527,116	\$839,864	0	3,479	0	19,910	
	11	\$1,895,448	\$0	\$1,895,448	\$49,932	\$428,729	\$546,171	\$870,616	0	3,479	0	19,910	
	12	\$1,969,476	\$0	\$1,969,476	\$52,255	\$448,675	\$569,204	\$899,343	0	3,479	0	19,910	
	13	\$2,026,391	\$0	\$2,026,391	\$54,686	\$469,548	\$581,528	\$920,629	0	3,479	0	19,910	
	14	\$2,084,537	\$0	\$2,084,537	\$57,230	\$491,393	\$591,725	\$944,189	0	3,479	0	19,910	
	15	\$2,149,249	\$0	\$2,149,249	\$59,893	\$514,254	\$603,600	\$971,502	0	3,479	0	19,910	
	16	\$2,210,864	\$0	\$2,210,864	\$62,679	\$538,179	\$620,939	\$989,067	0	3,479	0	19,910	
	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	2,461	0	14,083	
	18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	1,173	0	6,713	
Time of Use with Critical Peak Pricing Program	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$197,828	\$197,828	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3	\$161,399	\$208,184	\$369,583	\$193,645	\$43,306	\$63,202	\$69,430	4,467	4,467	2,467	2,467	
	4	\$138,614	\$212,322	\$350,936	\$48,276	\$72,565	\$108,522	\$121,573	7,445	7,445	4,112	4,112	

Table 7D: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Commercial/Industrial Large Program	TRC Benefits By Program Per Year (\$000)												
	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions		MWh Saved		
					Annual		Annual		Annual	Lifetime	Annual	Lifetime	
					Generation	Trans/Dist	Peak	Off Peak					
Commercial & Industrial Custom Applications Program	1	-\$1,036,972	\$1,036,972	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2	\$1,462,063	\$411,516	\$1,873,578	\$406,545	\$267,210	\$477,490	\$722,334	\$822	5,822	29,635	29,635	
	3	\$3,129,195	\$468,031	\$3,597,226	\$489,396	\$533,045	\$1,008,589	\$1,566,192	\$823	11,645	29,678	59,313	
	4	\$3,668,424	\$464,401	\$4,132,825	\$91,539	\$676,649	\$1,309,380	\$2,055,257	2,916	14,561	14,947	74,261	
	5	\$4,346,110	\$0	\$4,346,110	\$154,215	\$688,462	\$1,361,236	\$2,142,198	0	14,561	0	74,261	
	6	\$4,735,662	\$0	\$4,735,662	\$161,389	\$695,673	\$1,476,873	\$2,401,736	0	14,561	0	74,261	
	7	\$5,012,019	\$0	\$5,012,019	\$168,898	\$702,887	\$1,570,978	\$2,569,236	0	14,561	0	74,261	
	8	\$5,282,583	\$0	\$5,282,583	\$176,755	\$735,587	\$1,679,681	\$2,690,559	0	14,561	0	74,261	
	9	\$5,562,568	\$0	\$5,562,568	\$184,978	\$769,809	\$1,766,334	\$2,841,447	0	14,561	0	74,261	
	10	\$5,790,228	\$0	\$5,790,228	\$193,584	\$805,623	\$1,844,918	\$2,946,104	0	14,561	0	74,261	
	11	\$6,012,292	\$0	\$6,012,292	\$202,590	\$843,103	\$1,912,316	\$3,054,284	0	14,561	0	74,261	
	12	\$6,243,885	\$0	\$6,243,885	\$212,015	\$882,326	\$1,993,640	\$3,155,904	0	14,561	0	74,261	
	13	\$6,413,203	\$0	\$6,413,203	\$221,879	\$923,374	\$2,037,380	\$3,230,569	0	14,561	0	74,261	
	14	\$6,583,160	\$0	\$6,583,160	\$232,201	\$966,332	\$2,071,871	\$3,312,735	0	14,561	0	74,261	
	15	\$6,777,328	\$0	\$6,777,328	\$243,004	\$1,011,289	\$2,113,422	\$3,409,613	0	14,561	0	74,261	
	16	\$6,959,178	\$0	\$6,959,178	\$254,306	\$1,058,337	\$2,175,095	\$3,471,437	0	14,561	0	74,261	
	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	8,740	0	44,628	
	18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	2,916	0	14,947	
Customer Load Response Program	1	-\$428,112	\$428,112	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$335,515	\$335,515	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3	\$452,001	\$552,813	\$1,004,814	\$882,554	\$9,436	\$112,824	\$0	21,000	21,000	1,050	1,050	
	4	-\$769,560	\$1,150,114	\$380,554	\$132,014	\$19,135	\$229,403	\$0	21,000	21,000	2,100	2,100	
Customer Resources for Demand Response	1	-\$428,112	\$428,112	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$38,068	\$194,334	\$136,466	\$0	\$11,271	\$125,195	\$0	0	0	1,250	1,250	
	3	\$1,231,363	\$682,570	\$1,913,932	\$1,681,055	\$17,974	\$214,904	\$0	40,000	40,000	2,000	2,000	
	4	-\$1,256,363	\$1,981,227	\$724,864	\$251,455	\$36,447	\$436,961	\$0	40,000	40,000	4,000	4,000	
Distributed Generation Program	1	-\$88,863	\$88,863	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$34,337	\$34,337	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3	\$43,228	\$288,889	\$332,118	\$294,185	\$3,145	\$34,788	\$0	7,000	7,000	350	350	
	4	-\$369,216	\$490,332	\$121,116	\$44,005	\$6,378	\$70,733	\$0	7,000	7,000	700	700	

Table 7E: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Governmental/Non-Profit Program	TRC Benefits By Program Per Year (\$000)											
	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions		MWh Saved	
					Annual		Annual		Annual	Lifetime	Annual	Lifetime
					Generation	Trans/Dist	Peak	Off Peak				
Governmental/Non-Profit Lighting Program	1	-\$581,829	\$736,806	\$174,977	\$41,863	\$36,451	\$37,601	\$59,062	\$48	\$48	2,195	2,195
	2	-\$194,160	\$3,934,442	\$3,740,282	\$793,997	\$812,015	\$795,138	\$1,201,934	10,474	11,022	44,301	46,496
	3	\$5,539,991	\$2,289,703	\$7,829,694	\$553,488	\$980,789	\$1,011,499	\$1,567,321	1,745	12,768	9,379	55,875
	4	\$7,772,162	\$1,403,575	\$9,175,737	\$87,449	\$1,042,802	\$1,110,742	\$1,739,406	1,132	13,486	4,583	59,091
	5	\$8,053,020	\$0	\$8,053,020	\$65,077	\$606,805	\$668,400	\$1,049,523	0	5,957	0	34,186
	6	\$8,374,023	\$0	\$8,374,023	\$68,104	\$610,172	\$726,427	\$1,179,427	0	5,957	0	34,186
	7	\$8,642,392	\$0	\$8,642,392	\$71,273	\$613,732	\$774,179	\$1,263,805	0	5,957	0	34,186
	8	\$8,905,001	\$0	\$8,905,001	\$74,589	\$642,285	\$822,200	\$1,314,118	0	5,957	0	34,186
	9	\$9,194,909	\$0	\$9,194,909	\$78,059	\$672,166	\$866,621	\$1,390,884	0	5,957	0	34,186
	10	\$9,457,918	\$0	\$9,457,918	\$81,690	\$703,437	\$905,101	\$1,442,115	0	5,957	0	34,186
	11	\$9,721,460	\$0	\$9,721,460	\$85,491	\$736,163	\$937,820	\$1,494,918	0	5,957	0	34,186
	12	\$9,993,219	\$0	\$9,993,219	\$89,468	\$770,411	\$977,369	\$1,544,245	0	5,957	0	34,186
	13	\$10,238,828	\$0	\$10,238,828	\$93,630	\$806,253	\$998,531	\$1,580,795	0	5,957	0	34,186
	14	\$10,489,858	\$0	\$10,489,858	\$97,986	\$843,762	\$1,016,040	\$1,621,250	0	5,957	0	34,186
	15	\$10,755,544	\$0	\$10,755,544	\$102,545	\$883,016	\$1,036,430	\$1,668,149	0	5,957	0	34,186
	16	\$10,927,633	\$0	\$10,927,633	\$104,884	\$901,724	\$1,040,390	\$1,657,191	0	5,822	0	33,359
	17	\$7,193,835	\$0	\$7,193,835	\$0	\$0	\$0	\$0	0	2,877	0	13,962
	18	\$2,371,090	\$0	\$2,371,090	\$0	\$0	\$0	\$0	0	1,132	0	4,583
	19	\$479,331	\$0	\$479,331	\$0	\$0	\$0	\$0	0	0	0	0

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9. Plan Compliance Information and Other Key Issues

9.1 Plan Compliance Issues

9.1.1. Describe how the plan provides a variety of energy efficiency, conservation, and load management measures and will provide the measures equitably to all classes of customers in accordance with the January 15 Implementation Order.

Allegheny Power has developed a portfolio of programs that target major energy consuming appliances, systems, and processes by customer sector. This provides the best opportunity for all customers to participate in a program as well as for the Company to meet its goals under Act 129. Table 2 illustrates the energy and demand savings and Table 3 illustrates the annual budget to provide the Company's programs to all classes of customers. Table 4 provides the Program level energy and demand savings. In addition, the Company has developed specific programs to target specific customer sectors; i.e., low income and government/non-profit that further supports Act 129 requirements regarding these customer sectors as illustrated by Table 5, the Parity Analysis of providing programs to all customer sectors.

9.1.2. Provide statement delineating the manner in which the EE&C plan will achieve the requirements of the program under 66 Pa. C.S. §§ 2806.1(c) & 2806.1(d).

Section 2806.1(c) provides the EDC consumption reduction requirements of one percent by mid 2011 and three percent by mid 2013. Section 2806.1(d) sets a 4.5% reduction in annual system peak by mid 2013. Allegheny Power's anticipated programs for meeting the reductions of consumption and peak demand are fully described in Section 3 of the Plan. A summation of the programs' anticipated contribution, as a percentage of total target reductions for consumption and peak demand, is provided in Table 2.

9.1.3. Provide statement delineating the manner in which the EE&C plan will achieve the Low-Income requirements under 66 Pa. C.S. §§ 2806.1(b)(1)(i)(G).

Section 2806.1 (b) (1) (i) (G) provides that the Plan shall include specific energy efficiency measures for households at or below 150% of the Federal Poverty Income Guidelines, and that a proportionate number of measures be provided relative to the share of the total energy use for these customers. Allegheny Power has developed two programs with multiple measures for these households to specifically participate, in addition to the Residential programs. Both the budget provided to these programs and the savings achieved from this customer sector is relative. Additionally, Allegheny Power has participated in the Low Income Working Group facilitated by the PA Public Utility Commission Staff in early 2010 which established a calculation of the percent of usage attributable to customers at or below 150% of the Federal

Poverty Income Guideline. This calculation established a baseline from which it was determined that Allegheny Power offers in excess of a proportionate number of measures under Act 129 to this customer segment. See Appendix F.9 for a table of measures contained in the Company's Act 129 Plan and the availability of measures to this customer segment. A summation of the programs' anticipated results specific to this customer sector is provided in Tables 1, 2 and 5.

9.1.4. Provide statement delineating the manner in which the EE&C plan will achieve the Government/Non-Profit requirements under 66 Pa. C.S. §§ 2806.1(b)(1)(i)(B).

Section 2806.1(b)(1)(i)(B) provides that at least 10% of the energy consumption savings be achieved from the Government/Non-Profit customer sector. Allegheny Power has targeted a program for this customer sector, in addition to the other Commercial and Industrial programs, to ensure this requirement is met. A summation of the programs' anticipated results specific to this customer sector is provided in Table 2. Additionally, Allegheny Power will track this customer sector participation in the other programs.

9.1.5. Describe how EDC will ensure that no more than two percent of funds available to implement the plan shall be allocated for experimental equipment or devices.

Allegheny Power has developed two programs which can be utilized for new technologies including experimental equipment or devices, including the Custom Technology Applications Program and the Custom Applications Program. Allegheny Power will evaluate all projects submitted under these programs for selection of the programs and measures to provide incentive, and will manage these programs to limit any funding provided for experimental equipment or devices to no more than two percent.

9.1.6. Describe how the plan will be competitively neutral to all distribution customers even if they are receiving supply from an EGS.

All EE&C and DR programs included in the plan were developed without any consideration given to the status of the customer receiving supply from an EGS. Any customer can participate in any EE&C and DR program and no provisions of these programs limit or restrict the customer's ability to receive supply from an EGS. Allegheny Power is proposing rate options for customers that may not be applicable to a customer receiving supply from an EGS.

9.2 Other Key Issues

9.2.1. Describe how this EE&C plan will lead to long-term, sustainable energy efficiency savings in the EDCs service territory and in Pennsylvania.

Allegheny Power believes its plan will drive long-term sustainable energy efficiency savings among customers for key reasons as follows:

Allegheny Power's portfolio of energy efficiency and conservation, and demand response programs enable all customers to participate in one or more programs. Programs were selected to target the major energy-consuming systems, which are heating, HVAC, major consumer appliances and lighting, with a sufficiently broad scope to provide an opportunity for all Pennsylvania customers to participate. Programs were also selected to target each customer class. Long-term sustainability is supported by having the most customers and customer classes actively participating in an energy efficiency and conservation, and demand response programs.

The design of the proposed programs is to provide incentives to customers to install more efficient end-use devices. With rebate programs in place, vendors will increase their stock of high-efficiency appliances, or no longer stock standard efficiency appliances (which is reported to have resulted from rebate programs in California) and customers more consistently choose high-efficiency appliances, thus leading to increased energy efficiency.

Understanding that changing customer behavior is the ultimate objective, the logical progression is to first focus on the deployment of more efficient equipment via the incentive programs and then shift the focus to the manner in which it is operated by facilitating interactive customer participation. Program offerings will expand from targeting equipment efficiency to targeting more efficient equipment operation and energy usage, with the implementation of smart meters that will provide customers with more information that will enable and educate customers regarding their energy decisions. In addition, new rate offerings are proposed to provide incentive and support long term energy efficient behavior among customers.

9.2.2. Describe how this EE&C plan, and the EDC, will avoid possible overlaps between programs offered in different Pennsylvania EDC service territories as well as possibly programs offered in neighboring states.

Allegheny Power conducted program design in coordination with input received from various stakeholders, including State agencies and other utilities. Allegheny Power conducted fifteen stakeholder and working group meetings throughout the program development process to solicit stakeholder input and feedback regarding the development and revision of the Company's Plan. The stakeholder process also included numerous informal meetings and discussions which provided the Company with valuable input on the proposed programs and program revisions.

In addition, Allegheny Power completed benchmarking studies in an effort to ensure the reasonableness/viability of its program proposals. In doing so, numerous utilities were contacted to ascertain the parameters of the programs offered and the relative success of those program offerings. This permitted Allegheny Power to design its programs in consideration of programs offered elsewhere in the State or region to minimize customer confusion as much as possible.

Allegheny Power has contacted other PA EDCs to discuss common programs in order to establish common program elements, including incentive levels, where possible. The Company fully supports working with other utilities in establishing common equipment eligibility requirements and incentive levels, to the extent possible, to avoid conflict or overlap between similar programs. Allegheny has also leveraged its EE&C programs in Maryland as much as possible and strived to maintain program consistency including eligible equipment and incentive levels with both other PA EDCs and the Company's programs in Maryland.

9.2.3. Describe how this EE&C plan will leverage and utilize other financial resources, including funds from other public and private sector energy efficiency and solar energy programs.

Allegheny Power fully intends to leverage and utilize available funding resources to the extent possible in the delivery of this plan. At this time, the Joint Utility Usage Management Program services will primarily be provided through state agencies that have access to the American Recovery and Reinvestment Act (ARRA) funding through which stimulus dollars have been designated for program services for energy reduction for low-moderate income customers. Allegheny Power will continue to explore additional funding under the Act or from other resources to promote, enhance or expand services to customers.

9.2.4. Describe how the EDC will address consumer education on energy efficiency, conservation, solar and solar photovoltaic systems, and geothermal heating, and other measures.

Background

Education has proven to be a valuable component of energy-efficiency programs and experience has shown that energy-efficiency programs increase energy savings and enhance the persistence of savings. Education causes the customer to be more committed to the program and gives the customer control over energy usage and savings. Customer education and awareness is essential for the successful implementation of these proposed energy-efficiency and conservation programs. A successful awareness campaign activates the participant base required for these programs to achieve the Act 129 goals.

The Plan will leverage the on-going Pennsylvania Consumer Education Program, which is designed to educate customers that electric rates are increasing and the steps they can take to use less energy and manage their bills.

Allegheny Power's Corporate Messages

- Allegheny Power is committed to minimizing the environmental impact of its operations and, along with its employees, will promote energy conservation and efficiency.
- Allegheny Power is committed to helping its customers make smart energy choices and Watt Watchers is Allegheny Power's program to help customers learn more about saving energy and money.

- In implementing Act 129 the Company will develop new energy conservation programs and information to help customers manage their electric bill and use energy more efficiently.

Allegheny Power is actively engaged in new technologies, such as smart grid initiatives and advanced meters. The Plan will leverage the on-going Pennsylvania Consumer Education Program,⁸¹ which is designed to educate customers that electric rates are increasing and steps they can take to use less energy and manage their bills.

Allegheny Power's Act 129 customer education plan is designed to meet the mandated energy reductions set forth in the Act by informing customers and successfully deploying programs and technology to increase conservation while relying on customer acceptance and willingness to change their energy usage behavior.

This plan recognizes that meeting the requirements of Act 129 will require an evolving strategy that will change over time. The plan will remain flexible in its key messages and tactics to continually evolve to support a developing strategy.

Allegheny Power will integrate its Act 129 awareness campaign with its ongoing Consumer Education Plan which is designed to educate customers that rates are increasing and that there are steps they can take to use less energy and manage their bills. The combined plan will be known as the Pennsylvania Watt Watchers Energy Efficiency and Conservation Campaign.

The combined plan will incorporate a general awareness campaign and program-specific campaigns, and will build upon the messages delivered by the Company's Consumer Education Plan. Together, the two Act 129 plan components will:

- Build awareness of Allegheny Power's consumption and demand reduction efforts;
- Position the Allegheny Power brand as a leader in energy conservation, awareness and efficiency; and
- Transform Allegheny Power's relationship with its customers from one of a highly reliable supplier of energy to a partner in energy conservation and environmental stewardship.

⁸¹ The Pennsylvania Consumer Education Plan funding is not included within this filing or cost recovery request.

Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign Overview

Allegheny Power's Act 129 general awareness campaign is focused on educating customers about the benefits of energy efficiency and conservation, and influencing customers to make decisions that reduce their energy consumption.

The Company's plan assumes the following definitions:

- Energy Efficiency & Conservation - focused investment for consumption reduction by Allegheny Power and/or customer; and
- Demand Response - enables and rewards changing customer behavior through smart meters and dynamic rates & tariffs.

The Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign provides Allegheny Power's customers with education and information regarding the benefits of energy-efficiency and conservation. This program is the vehicle to educate customers regarding the benefits of energy-efficiency and conservation as well as inform them of opportunities to reduce their electricity bills through EE&C activities.

To meet the mandated reductions specified in Act 129, customers must be educated to make informed choices about participation in programs that will not only meet their energy needs, but also have the added benefits of reducing their energy costs and protecting the environment. Through a combination of educational and promotional messaging throughout the duration of this program, the Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign will employ the AIDA model⁸² to focus key communications and marketing campaigns. The basic four steps of the process include:

- Increasing market awareness of energy efficiency and conservation, and brand of Allegheny Power;
- Generating stakeholder interest by communicating the value proposition of the programs;
- Creating desire for conservation and demand response; and
- Crafting actionable opportunities that encourage adoption and purchase.

Allegheny Power's plan will integrate a general awareness campaign along with program-specific campaigns. The objectives for the Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign are to:

- Educate all classes of Allegheny Power customers about opportunities to reduce their electric bills through energy efficiency, conservation, and demand

⁸² Attention, Interest, Desire, Action. This is a traditional model of the purpose and flow of marketing communications and direct sales efforts.

response programs as well as to educate customers on the no and low cost actions they can take;

- Motivate customers to participate in one or more of the new programs offered to reduce energy consumption;
- Demonstrate how participation in one or more of the new programs can offset the cost of the monthly surcharge;
- Assist customer understanding of the benefits of these programs to the environment and to securing a reliable energy future; and
- Provide clear, easily understood information so that customers can make informed energy decisions.

Program Implementation—Marketing Plan

The Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign began in the first quarter of 2010. The first program year ended in May 2010. Three full-year programs beginning June 1 and ending on May 31 will follow. The last program year ends May 31, 2013. The communication plan outlines key messages, branding and visual identity considerations, stakeholder needs, and planned communications events and activities. The plan will be shaped by the knowledge and feedback obtained through a series of customer and stakeholder meetings. Communications tactics will include a variety of media that will address various areas of the Company's residential and non-residential customer base including low-income and hard-to-reach customers. To be effective, the program will use consistent design techniques across all media elements. Message delivery platforms will include newspaper, radio, cinema and internet advertisements, bill inserts and bill messages, attendance at special events, distribution of information during trade shows, conventions or any other special events held in Allegheny Power's Pennsylvania service territory, press releases, websites, customer training and personal contacts. The Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign is designed to be flexible to the changing needs of the program requirements and the customers' response to the campaign. Education efforts are anticipated to continue through the length of this education program.

Leveraging its established Watt Watchers Consumer Education Plan, Allegheny Power will create a message platform built around a theme of energy-efficiency and conservation and the steps customers can take to save electricity and manage their electric bills.

First, Allegheny Power will develop a comprehensive geographic media analysis of its Pennsylvania service territory to determine county-by-county media coverage that will fulfill its communication objectives. This will include:

- Newspaper coverage analysis
- Radio analysis (metro, suburban and small-market coverage)
- TV/cable Direct Marketing Association penetration analysis
- Business-to-business print coverage analysis
- Non-traditional media coverage analysis

Second, Allegheny Power will develop a comprehensive demographic targeting analysis of all customer classes in order to determine targeting requirements for buying multimedia advertising. Allegheny Power will utilize extensive customer demographic data to shape the appropriate media usage by their target. This will be done by examining media habits of those within the target demographic groups using local syndicated research such as Scarborough, Media Audit and/or Marshall Marketing. Due to the geographic uniqueness of the Allegheny Power footprint, media selection will be highly weighted based on the ability to deliver within the designated geography with minimal waste.

Marketing Strategy

Allegheny Power will execute a two-tiered strategy to communicate the energy efficiency and conservation programs.

Tier One

Allegheny Power will create an umbrella message to educate customers that there are energy efficiency & conservation and demand response programs available. This communication will be delivered via mass media and will direct customers to the web to learn more about the specific programs that will benefit their lifestyle.

Tier Two

The second tier will involve customer segmentation to determine which customers/counties have the highest concentration of energy consumption. Directly targeting these specific targets will allow Allegheny Power to focus their dollars and create the biggest return on investment.

Both Tier One and Tier Two strategies will encourage enrollment in the programs, but Tier Two will be much more targeted and focused on enrollment. Identification of customers who are “early adopters” of the programs will be a key component of the targeted marketing approach. Additionally, Allegheny Power will highlight corporate and employee results in EE&C initiatives to underscore that the company is an equal partner and actively supports the goals of Act 129.

Target Audiences

Residential energy customers:

- People in the households responsible for reviewing and paying utility bills
- African-American and Latino markets
- Senior Citizens
- Low Income Households
- Rural Households
- School-Aged Children

Commercial energy customers:

- Small business customers

- Governmental, school and non-profit customers

All segments will be targeted for Tier One messaging. A select group will be more targeted for Tier Two communications. Allegheny Power's account managers will be used to market those programs designed for large commercial industrial customers—leveraging existing relationships with those customers.

Program Components

Allegheny Power will utilize the following marketing mix to communicate to its customer base:

Tier One

- Customer Service Center/Fulfillment Provider
- Conservation Service Provider(s)
- Community Based Organization(s) Outreach
- Newspaper
- Radio
- Internet
- Non-traditional Vehicles
- Press Releases
- Personal Contacts
- Educational Materials
- Big Box retailers

Tier Two

- Bill Inserts
- Direct Mail/Email
- Non-traditional Vehicles

Tier One Approach

1. Customer Service Center Training

Allegheny Power will train its customer service center representatives so they are prepared to assist customers by providing them up-to-date information on energy efficiency, conservation and details of specific Act 129 programs.

2. Conservation Service Provider(s)

CSPs will offer a unique point-of-entry to customers, especially the audit programs. Participating customers will already be engaged in the process of improving energy efficiency and conservation so the CSP will be in an excellent position to provide information on the full portfolio of programs.

3. Community-based Organizations

Comprehensive customer education programs are most efficient when they include a partnership with established organizations and agencies. The Company will develop outreach plans as needed to reach diverse stakeholder groups.

Special events offer unique opportunities to talk face-to-face with customers and answer any questions they have about specific programs and energy savings available to them. Business and community events can be used to highlight program features and technologies in ways that advertising cannot and allow Company representatives to make personal presentations with the opportunity for customers to have their questions answered in familiar surroundings.

4. Newspaper

Newspaper is geographically flexible and can be purchased to cover Allegheny Power's entire footprint. Newspaper offers the ability to communicate necessary message details and offers a format appropriate for announcements. Newspaper ads will be placed within the appropriate editorial section whenever possible; for example, running small business ads in the business pages of the newspaper. Print advertising will complement the radio spots and provide a visual aid as well as permit specific information about the programs to be communicated to customers. Print placements reach various sized minority populations and feature various sized advertisements.

5. Radio

Radio is another mass media vehicle useful to reach a broad audience base with the Company's general awareness message. Radio also allows for flexibility in the message mix and station selection. Radio also provides an effective tool to reach illiterate populations and also customers for whom English is a second language.

6. Internet

Up-to-date information on Allegheny Power's education campaign and program offerings will be posted on its web site. The web site will present information for residential, commercial and industrial customers, including Watt Watchers materials and information about specific programs.

7. Non-Traditional Communication Vehicles

An analysis will also be conducted to determine the effectiveness of innovative, non-traditional vehicles to reach target audiences. Creative and production viability among desired media will also be reviewed. Non-traditional advertising will be an important element to connect with hard-to-reach audiences in an unexpected and niche way.

Allegheny Power intends to spread its messages through unconventional and innovative vehicles that may include, but are not limited to:

- Energy efficiency and conservation reminders, such as switch plates, magnets and reusable shopping bags printed with energy conservation messages;

- Social media; and
- Targeted e-mail blasts for customers who request e-mail updates.

8. News Releases

News releases will be issued to keep all stakeholders abreast of the energy awareness effort and ultimately to alert them of the specific programs that will be available to help save energy.

9. Personal Contacts

Allegheny Power's employees will create an awareness and interest in energy conservation and demand response while incenting early adoption and transformation. Allegheny Power's account managers will provide personal communication with large commercial and industrial customers to answer specific questions and provide additional information.

10. Educational Materials

Allegheny Power will create educational materials to provide detailed program information to targeted audiences and complement other campaign elements. Some materials will target small business customers and make materials available through outreach at business-oriented events, such as chamber of commerce meetings, through the web site and mailed-upon-request information. Printed materials will also be developed for approved programs targeting other customer segments.

Tier Two Approach

1. Bill Inserts

Bill inserts provide flexibility to customize messages to specific demographics within the Allegheny Power footprint. Act 129 bill inserts will be incorporated into the regular cycle of inserts that are sent to Pennsylvania customers. Inserts will support the General Awareness Campaign but can also be more program-specific as needed.

2. Direct Mail

Allegheny Power will use direct mail as a way to target specific residential and small business audience segments. Information will include materials explaining how to conserve energy, and the programs that will be provided to help customers manage electricity consumption. The Company is able to geo-target certain customer segments and communicates more specific and relevant messages.

3. Email Newsletters

Allegheny Power will encourage customers to provide their email addresses so that the Company can send them monthly or quarterly EE&C newsletters. The newsletters will highlight program results and reinforce key plan messages.

4. Non-Traditional Vehicles

Allegheny Power will use non-traditional vehicles to reach its customer base in an unexpected or niche way.

Program Implementation Activities for 2009/2010:

After Commission approval of the Company's plan Allegheny Power will launch the Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign marketing plan to inform customers of the programs, program components, the benefits of energy conservation and the values of participating in these efforts.

Implementation of the Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign will begin with high-level public relations and mass media advertising that will create immediate awareness among customers and community leaders who are influential in educating customers and encouraging them to participate in energy efficiency and conservation programs. Small business customers will also be targeted through outreach to organizations that serve them, seminars and educational functions. Throughout the campaign, detailed publications and a web site will be available for those customers who seek more information or to sign up for programs.

Program Economics

Program Assumptions and Analysis

For estimating costs of the Pennsylvania Watt Watchers Energy Efficiency & Conservation Campaign, Allegheny Power assumed newspaper and radio advertising would be supplemented by bill inserts providing customers with campaign awareness information each year, additional special events per year centered around activities that would provide customer-related information regarding energy efficiency and conservation, direct mailing(s) to target audiences that describe specific programs, and customer training sessions per year providing contact with targeted customers.

9.2.5. Indicate that the EDC will provide a list of all eligible federal and state funding programs available to ratepayers for energy efficiency and conservation.

Allegheny Power plans to promote and provide to customers any opportunities for funding that are available for energy efficiency and conservation. This information is contemplated to be included in relevant program marketing materials, on the Company's web site or through other marketing and advertising channels as available. A partial list of these funding sources is found in Appendix Section 10.7.3.

9.2.6. Describe how the EDC will provide the public with information about the results from the programs.

Allegheny Power maintains an on-line database of available agencies for Company representatives to use as a reference for referrals that provides information on available bill assistance and energy efficiency and conservation programs.

Allegheny Power also informs customers of funding and programs via bill inserts, direct mailings and its website.

10. Appendices

A. Commission approved electricity consumption forecast for the period of June 1, 2009 through May 31, 2010.

Allegheny Power Connected Load Forecast - MWh
2009 Budget Load Forecast (LF08Q3)

Excludes wholesale

Company	Jurisdiction	Customer Class	Billed	Year Month											
				2009						2010					
				Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
WP	Total	Residential	Billed	529,351	609,015	645,120	584,257	507,547	536,636	635,877	716,090	712,541	662,566	581,508	510,839
		Commercial	Billed	413,374	443,405	453,534	436,814	406,200	402,812	422,587	437,106	433,175	427,224	414,780	408,235
		Industrial	Billed	699,575	665,395	717,913	711,374	698,669	719,504	689,229	720,813	762,429	712,259	737,987	722,303
		Street Lighting	Billed	4,359	4,359	4,359	4,360	4,360	4,360	4,361	4,361	4,361	4,362	4,362	4,362
		Retail Billed MWh Sales	Billed	1,646,659	1,722,174	1,821,026	1,736,855	1,610,616	1,656,312	1,752,054	1,877,379	1,912,506	1,833,116	1,730,017	1,545,739
		Losses		181,656	228,693	168,558	(43,190)	104,490	116,175	237,338	187,834	(19,497)	108,817	(24,902)	141,398
Generation Calendar MWh - Calendar				1,828,316	1,950,867	1,989,585	1,693,615	1,721,466	1,779,487	1,989,392	2,066,204	1,893,009	1,915,328	1,713,715	1,785,137

* Forecasted losses include normal electrical transmission and distribution losses, company use (other than station use) and unaccounted-for differences between generation MWh and billed sales to regular customers.

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B. Average hourly demand in the EDCs 100 highest peak hours during the period of June 1, 2007 through September 30, 2007.

Highest 100 Peak Hours June 1, 2007 - September 30, 2007 Data Excludes Wholesale Loads

Avg of Top 100 Hrs
3,496 MW

<u>Rank</u>	<u>MW</u>	<u>Rank</u>	<u>MW</u>
1	3,702	51	3,487
2	3,683	52	3,484
3	3,683	53	3,481
4	3,658	54	3,477
5	3,643	55	3,477
6	3,639	56	3,476
7	3,636	57	3,475
8	3,635	58	3,474
9	3,634	59	3,474
10	3,621	60	3,470
11	3,618	61	3,469
12	3,604	62	3,464
13	3,603	63	3,458
14	3,602	64	3,457
15	3,596	65	3,455
16	3,588	66	3,455
17	3,581	67	3,454
18	3,567	68	3,454
19	3,560	69	3,451
20	3,557	70	3,450
21	3,555	71	3,442
22	3,552	72	3,440
23	3,551	73	3,433
24	3,550	74	3,432
25	3,548	75	3,429
26	3,543	76	3,424
27	3,542	77	3,423
28	3,542	78	3,422
29	3,537	79	3,422
30	3,536	80	3,416
31	3,536	81	3,409
32	3,534	82	3,409
33	3,528	83	3,406
34	3,528	84	3,405
35	3,528	85	3,405
36	3,526	86	3,404
37	3,522	87	3,402
38	3,522	88	3,402
39	3,519	89	3,397
40	3,516	90	3,391
41	3,516	91	3,389
42	3,509	92	3,388
43	3,509	93	3,387
44	3,506	94	3,387
45	3,504	95	3,386
46	3,499	96	3,383
47	3,495	97	3,378
48	3,492	98	3,377
49	3,491	99	3,377
50	3,487	100	3,375

C. Approved CSP contract(s).

Allegheny Power's form CSP contract was approved by the Commission by Secretarial letter dated May 6, 2009 at Docket No. M-2009-2093218.

Allegheny Power

REQUEST FOR PROPOSAL

for the

Demand Response Provider

for

Non Residential Demand Response Programs

Per Pennsylvania Act 129

Version 1

May 14, 2009

Issued by: Allegheny Power, a subsidiary of Allegheny Energy Service Corporation.

Electronic Proposals Due: May 29, 2009

BIDDERS CONTRACT WORK INSTRUCTIONS

FORM 13-346 REV. 12

DATE 05/08/2009

JOB TITLE	DR Contracted Curtailment Service Provider, for Comm Progs per PA Act 129
LOCATION	Allegheny Power, PA Territory

QUOTATION	<input checked="" type="checkbox"/> Firm Price <input type="checkbox"/> Unit Price <input type="checkbox"/> Cost Plus <input type="checkbox"/> Risk Clause <input type="checkbox"/> Other
	Description: <u>Firm price per year for providing Curtailment services.</u>

ATTACHMENTS	<input checked="" type="checkbox"/> Details of Work <input type="checkbox"/> Specifications <input type="checkbox"/> Tax Statement (WPP only) <input checked="" type="checkbox"/> General Terms & Conditions
	<input type="checkbox"/> Drawing(s) _____ Drawing Nos. _____ <input type="checkbox"/> Other: _____

EXTRA WORK	Submit following: <input type="checkbox"/> Cost of Materials (Such as Net Cost + %) <input type="checkbox"/> Unit Price Hourly Labor Rates (Both Straight & Overtime) <input type="checkbox"/> Cost Plus Hourly Labor Rates (Both Straight & Overtime)
	NOTE TO BIDDER: For further details, see Cost Plus Extra Work Pricing List, Form 26-066 attached. <input type="checkbox"/> Equipment Rates: <input type="checkbox"/> Hourly <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly

INSURANCE REQUIREMENTS	NOTE TO BIDDER: For complete details on insurance, see Letter of Inquiry and General Terms and Conditions. Contractor awarded bid will be required to furnish certificates of insurance as outlined and in amount(s) shown.
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ADDITIONAL INFORMATION	Arrangements to visit job site or questions regarding specifications should be directed to:	
	NAME Eric Rundy (erundy@alleghenyenergy.com)	TELEPHONE NO. (724) - 830-5431
	LOCATION 126 Mathews St, Suite 1000, Greensburg, PA 15601	

FIELD INSPECTION	Site visitation & prejob discussion have been arranged for:		
	DATE May 15, 2009	TIME 1:00P.M.	CONTACT NAME Eric Rundy
	TELEPHONE NO. (724) 830-5431	LOCATION Conf Call, details to be E-mailed later	

OTHER MISCELLANEOUS REQUIREMENTS	Dispute resolution clause - appropriate provisions stating that if a
	conflict exists between the RFQ and the bidder's proposal, the RFQ shall
	govern.

BID CLOSING DATA	DATE May 22, 2009	TIME 4:00 p.m.	LOCATION Greensburg, PA 15601-1689
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TENTATIVE SCHEDULE	STARTING DATE November 01, 2009	COMPLETION DATE Potentially Dec 31, 2019
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APPENDICES

Appendix A1 – Pricing Instructions and Details

Appendix A2 – Pricing Template (Attached as separate electronic file)

Appendix A3 – General Terms and Conditions, Form 26-069

Appendix A4 – Non-Disclosure Agreement (Completed Post Bid & Pre Contract Award)

Appendix A5 – Vendor Information, Form 37-215

Appendix A6 – Subcontracting Plan, Forms 37-216 & 37-217

Appendix A7 – Appendix A8 – Safety and Health Commitment

Appendix A8 – Substance Abuse Program

Appendix A9- Strategic Sourcing Website = Power Advocate Guidelines & Quick Start-Up

1. INTRODUCTION

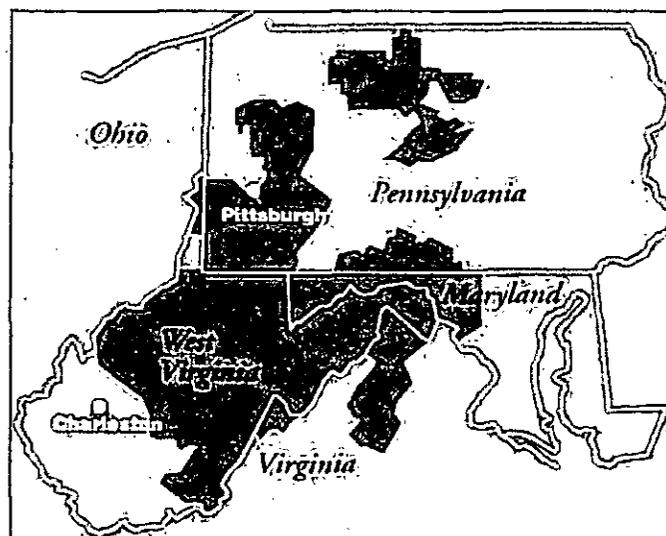
Allegheny Power, a subsidiary of Allegheny Energy Service Corporation, is seeking vendors to manage system load by developing a load curtailment program for both small commercial and industrial, and large commercial and industrial customer classes. The program is designed to capture electrical demand reduction opportunities in the commercial and industrial sectors during the 2010-2013 implementation periods.

1.1 Background

On October 15, 2008, Governor Edward Rendell signed Act 129 of 2008 (“the Act” or “Act 129”) into law. The Act took effect 30 days thereafter on November 14, 2008. Among other things, the Act created an energy efficiency and conservation program, codified in the Pennsylvania Public Utility Code at Sections 2806.1 and 2806.2, 66 Pa. C.S. §§ 2806.1 and 2806.2. This program requires an EDC with at least 100,000 customers to adopt a plan, approved by the Commission, to reduce, by May 31, 2013, peak demand by a minimum of four-and-a-half percent (4.5%) of the EDCs annual system peak demand measured against the EDCs demand average over the 100 highest peak hours during the period of June 1, 2007 through May 31, 2008.

1.2 Buyer Overview:

Allegheny Energy headquartered in Greensburg, PA., is an investor-owned electric utility with total annual revenues of over \$3 billion and more than 4,000 employees. The company owns and operates generating facilities and delivers low-cost, reliable electric service to 1.6 million customers in Pennsylvania, West Virginia, Maryland and Virginia. For more information, visit the company’s website at www.alleghenyenergy.com. Allegheny Power is the delivery side of the Allegheny Energy Corporation



State	Residential	Commercial	Industrial
Maryland	220,000	22,500	2,100
Pennsylvania	620,000	81,000	13,500
Virginia	85,500	14,150	1,550
West Virginia	440,000	61,000	9,150

1.3 Purpose

As described herein, the Allegheny Power (Allegheny or Company) is requesting the services of a contractor to provide one, or more of the following:

- Perform an initial market assessment of the load resources that are available from Allegheny's commercial and industrial customer base.
- Design, document, market and execute a comprehensive and complete Load Curtailment plan for Demand Response w/ Allegheny Power's PA Commercial and Industrial customers, on Allegheny's behalf, for delivery years 2010/2011 and 2011/2012.

Allegheny Power currently administers a demand response program as a Curtailment Service Provider in PJM's capacity market. It is Allegheny's intent for the DR vendor to administer this program on Allegheny's behalf, continuing to work as a CSP within the guidelines of PJM's capacity market for the 2010/2011 and 2011/2012 delivery years.

- Design, document, market and execute a comprehensive and complete Load Curtailment plan for Demand Response w/ Allegheny Power's PA Commercial and Industrial customers, on Allegheny's behalf for delivery years 2012/2013 delivery years.

Upon the discontinuation of the PJM demand response program for the 2012/2013 delivery years, the vendor will implement the demand reduction program per the goals of Allegheny to continue to meet the requirements of Act 129.

- Design, document, market and execute a customer demand response (load control) program. The main objective of this program is to offer for a customer to control their demand at and within their facility by implementing a self dispatched demand control system at and within the customer's facility. The end result for the customer is that he will maximize savings by controlling their monthly peak demand reducing the demand cost charged by the utility rate structure.

1.4 Expectations

The contractor must have the capability directly or through a subcontractor to perform curtailment services for the demand response program which is consistent with accepted curtailment program standards and protocols, and to comply with any Pennsylvania Public Utility Commission (“PA PUC”) and PJM requirements per PJM’s Reliability Assurance Agreement (RAA) and Open Access Transmission Tariff (OATT), and PJM Manual #M18. It is expected that the selected bidder and the Company’s personnel will work very closely to ensure the Curtailment Service Provider proposal meets all applicable requirements.

The process may include working with other stakeholders such as PA PUC staff, PJM staff, PA PUC’s statewide Plan Evaluator and applicable Pennsylvania Consumer Advocates.

The Company is issuing this Request for Proposal (“RFP”) with the goal of obtaining proposals for a comprehensive curtailment plan of the Company’s curtailment program. The PA Act 129 programs may change because of PUC action, the establishment and feedback from a collaborative group or other stakeholders, or the Company’s decisions. For the purposes of responding to this RFP, assume that there will be no changes to what was filed for PA Act 129 and that there will be no changes to the PJM RAA, OATT or Manual M18.

The winning bidder will execute a contract in the form of the Standard Terms and Conditions attached hereby, with the Company. Additional other contractual requirements will be required for the bidder to enter into a contract with Allegheny to perform Curtailment Service Provider activities within the PJM markets. Allegheny will make available such documents upon review of vendor’s proposals and issuing notice that Allegheny wishes to proceed with vendor’s proposal.

2.0 DEMAND RESPONSE PROGRAM

2.1 Overview

The Company will be implementing a suite of Demand Response programs to provide customers with cost saving opportunities, as well as providing for environmental benefits and a positive impact on regional loads. The programs covered in this RFP are limited to providing a load curtailment type demand response program for Allegheny’s commercial and industrial customers. The assessment of the demand response markets and potential programs are being evaluated by responses to the following items:

- Initial Market Assessment
- Curtailment Service Provider in PJM as Agent for Allegheny
- Allegheny Demand Response Program
- Individual Customer Demand Response (Control) Program

**** Allegheny is open to other alternative proposals that would help meet the requirement of Act 129.**

2.2 Pennsylvania Act 129 Requirements

The goal of Allegheny Power’s Demand Response program is to reduce the peak load on the system by 4.5% during the top 100 hours of operation. Based on historic operating data, a demand reduction target of 157 MW, averaged over the top 100 summer (June – September) operating hours is Allegheny’s goal. Allegheny will be implementing other demand response initiatives, including contributions from energy efficiency measures that will also contribute to the Act 129 demand reduction Goal. The award of a contract to implement any demand response program is contingent upon any approvals of the Pennsylvania Public Utility Commission.

2.3 Market Analysis of Demand Response Opportunity

Allegheny is requesting an analysis of the available demand potential for each customer segment described in Section 2.4.1 of this RFP. The goal of the program is to achieve a minimum controllable load reduction based on the available market. The following items shall be addressed in the study:

- a. Identify a minimum controllable and stretch goal for load reduction per the following customer segments:

Small Commercial/Industrial	Demand < 500 kW
Large Commercial/Industrial	Demand > 500 kW
Government	Schools
	Higher Education Non-Profit Municipalities

- b. Based on the overall study of available demand, the vendor shall assign a “confidence level” rating to determine how much of this demand is realizable. The “confidence level” shall be broken down in the following ranges:

<u>Confidence</u>	<u>Realizable MW</u>
100%	
75%	

50 %

25% and below

- c. The vendor shall describe the manner, size and hourly shape of the proposed load reduction. Please state any data or other requirements for the analysis in your proposal. Allegheny will provide metered interval data that is available for each customer segments and customer data that is available including: SIC code, peak demand, etc..
- d. The vendor shall provide an analysis of the capacity markets and anticipated changes to the PJM ILR programs.

2.4 Curtailment Service Provider - DR Program for Delivery Years 2010/2011 and 2011/2012

Allegheny is requesting a DR vendor to implement a demand response program as a Curtailment Service Provider as an agent for Allegheny, per the requirements of PJM. Allegheny is presently acting as Curtailment Service Provider, and we are asking a DR vendor to administer this program as an agent for Allegheny. The load curtailments will need dispatched, monitored, measured, and verified by the vendor within the following general parameters:

Program Type(s)	Interruptible Load Resource Economic Load Resource
Program Delivery Year	June 1 – May 31
Interruptions Per Year	Up to 10
Interruption Duration	Up to 6 consecutive hours
Notification Time	1 - 2 hours, by customer
Load Management Type	Firm Service Level or Guaranteed Load Drop
Load Reduction Amount	100 kW, minimum
Metering Requirement	Interval metering (see Section 2.4.2)
Load Shedding Speed	1-2 hours

2.4.1 Customer Segments

The program will be focused on load control for the following customer segments:

Large Commercial Load: There are approximately 2900 commercial customers with a demand ranging from 100 kW to 2000 kW. The market potential for this customer segment is estimated at approx. 754 MW (average over top 100 hours).

Large Industrial Load: There are approximately 150 customers with a demand larger than 2000 kW. The market potential for this customer segment is estimated at approx. 554 MW.(average over top 100 hours).

Small Commercial Load: There are approximately 89,000 general service customers with a demand up to 100 kW. The market potential for this customer segment is approx. 646 MW. (average over top 100 hours).

2.4.2 Metering and Communications Requirements:

The vendor shall have the technology to monitor in real time the aggregate load that is enrolled in Allegheny 's program, and the response that is achieved during the demand response event. Allegheny expects the vendor to actively manage a demand response event using real time data in order to pro-actively manage the response and make adjustments as needed.

The DR Vendor will be required to provide and install all necessary communications and data equipment at the participating customer's facility. If the DR vendor needs to install additional sub-metering to complete the installation, the vendor shall do so at their expense. All additional metering required shall meet the accuracy and reliability standards, as required by Allegheny and/or PJM. The DR vendor shall be responsible for all control power and and/or communications services as part of the installation.

At present and for the purposes of this proposal, Allegheny will provide KYZ pulses for use by the DR Vendor in determining the interval loading. The wiring will be terminated local to Allegheny 's revenue meter. Allegheny will NOT provide any shadow metering or sub-metering equipment for this program.

2.4.3 DR Vendors Scope of Work

The successful vendor shall provide the following services, as part of the contract:

- 2.4.3a The bidder will act as an agent for Allegheny in the marketing of commercial and industrial customers into the demand response program. The vendor shall be responsible for developing all marketing material, including promotional literature, directly marketing by phone calls or customer visits, as well as using direct mail pieces. Allegheny's industrial customers are presently managed by an Account Management staff. All direct contact with large commercial and industrial accounts will be co-managed with Allegheny's Account Managers. Marketing and promotional materials will be made available to Allegheny for review and approval prior to program start.
- 2.4.3b The DR Vendor will provide all necessary forms and/or contracts to enroll customers into the program. Contractual documents will be made available to Allegheny for review and approval, prior to program start.
- 2.4.3c The DR vendor will provide all necessary infrastructures to implement, monitor, dispatch, notify, measure and verify the demand response activities.
- 2.4.3d The DR vendor will perform all services to act as a Curtailment Service Provider per PJM's requirements.
- 2.4.3e The DR vendor will perform all resource testing, reconciliation and compliance activities related to participating as a Curtailment Service Provider per PJM's requirements.

2.4.4 Event Notification

The DR vendor shall develop a process to notify participating customers and Allegheny for all dispatchable events. The vendor shall use both an automated telephone calling system and an email paging system to notify customers of the events.

The basic notification procedure, shall include the following entities:

- **For PJM Emergency (ILRP) or Economic (ELRP) Events**

1. PJM calls ILR/ELR Event and Notifies DR Vendor, and Allegheny Power Dispatch
2. Allegheny Dispatch contacts Allegheny Electric Supply
3. DR Vendor contacts Customer
4. DR Vendor contacts Allegheny Power Account Manager (if managed account)

2.5 Demand Response Program for Delivery Year 2012/2013

Allegheny is requesting a proposal for a Demand Response program for delivery years 2012/2013 to meet the goals of Act 129.

The program has to consider the following technical and energy market issues:

- Advance Metering Initiatives
- Effect of hourly rate structures
- Direct Load Control – Small commercial customers air conditioners, or other loads
- Future capacity markets
- Energy efficiency contributions for demand response
- Dispatch methods and technology
- Event notification, reconciliation and compliance activities

The following delivery and pricing topics need to be addressed in the DR vendor’s proposal:

- Explain how contract will be structured between Allegheny –Customer-DR Vendor
- Costs: Setup costs, cost per customer, \$/MW/Day, stretch goals, etc.
- Identify staffing or other requirements for both DR Vendor and AP personnel
- Timeline for development of Demand Response Program
- Identify customers and target DR amounts per the following segments:

Small Commercial/Industrial	Demand < 500 kW
Large Commercial/Industrial	Demand > 500 kW
Government	Schools, Higher Education, Non-Profit Municipalities

2.6 Demand Response Load Resources Only

Allegheny is requesting proposals for any load resources that directly wants to bid price and volume for Allegheny's Demand Response program in delivery years 2012/2013.

For example: XYZ Food Mart has 100 stores that are controlled by a central office and can contribute 1200 kW, in aggregate, and can self dispatch the load response.

As part of your proposal, please address the following technical and delivery issues:

- Estimated load resource(s) MW and confidence level
- Description of resource
- Proposed curtailment hours
- Proposed load control schemes
- Restrictions or limitations
- Energy efficiency contributions for demand response
- Advanced metering requirements

2.7 Customer Demand Response (Control)

Allegheny is requesting proposals for the development of a customer demand response (load control) program. The main objective of this program is for a customer to control their demand by implementing a self dispatched demand control system. The end result for the customer is that he maximizes saving by controlling the demand charge by the utility rate structure. The program would not consider any type of grid initiated demand response events. The program should consider the following technical issues:

- Energy Efficiency Contributions for Demand Response
- Metering Requirements, including Advanced Metering Infrastructure
- Hourly, Time of Use Rate Structures
- Dispatch/Control Technology (hardwired, wireless, etc.)
- Controllable loads (furnaces, air handlers, compressors, heating, HVAC, etc.)

3.0 GENERAL SUBMITTAL INFORMATION

This Section of the RFP provides information for bidders concerning the submittal process, general requirements, schedule, and qualifications. Specific requirements for the content and preparation of bids are contained in Section 4.

3.1 Questions, Contact and Communications

All communications between Allegheny Power and interested bidders will be handled by Allegheny Power's strategic sourcing web site (Power Advocate see Appendix A10). These communications include the posting and receiving of questions and answers, and submitting

electronic versions of the proposal.

No other contact with Allegheny Power, related to this RFP shall be made after the release of the RFP. Any unauthorized contact may result in the disqualification of the contacting firm's proposal(s). Bidder questions related to this RFP should be submitted using the online discussion tool on Allegheny Power's strategic sourcing website. Questions will be accepted until 5 PM EST on May 22, 2009. Questions submitted after this date will not be addressed. Copies of all questions and answers will be posted on the strategic sourcing website and will be available to all invited bidders.

3.2 Intent to Bid

Potential bidders are encouraged but not required to submit an E-mail notification of intent to submit a proposal in response to this RFP. This information helps Allegheny Power plan and administer the RFP. Bidder's notice of intent to bid should be submitted by Thursday, May 21, 2009 to Allegheny Power's strategic sourcing web site (PowerAdvocate see Appendix A10).

3.3 Bidders' Conference Call

Bidders are encouraged, although not required, to participate in a bidder's conference call. The conference call will provide interested firms with an opportunity to seek clarification on the requirements of the Residential and Commercial EM&V RFP. Following is the schedule and instructions for the conference call:

Date: Wednesday, May 20, 2009 Time: 1-2:30 PM EST

Dial-In Information:

1. Dial 1-888-521-5895
2. You will then be prompted to enter an extension = 3144
3. You will then be asked to introduce yourself = Please use Co. Name

3.4 RFP Submittal Format and Due Date

Bidders are required to submit an electronic version of their proposal to Allegheny Powers strategic sourcing website. The submittals must be uploaded by 4 PM EST Friday May 29, 2009. Late submittals will be rejected.

Bidders are required to submit two documents: their proposal (as an Adobe Acrobat .pdf file) and a Microsoft Excel file with their pricing. See Section 4 for details.

Allegheny Power is not liable for any costs incurred by any person or firm responding to this RFP or participating in best and finals interviews.

3.5 RFP Schedule

RFP release	May 15, 2009
Bidder's conference call	1-2:30 PM EST, May 20, 2009
Intent to bid notice	May 21, 2009 by 5:00PM
Close of RFP question period	5 PM EST, May 22, 2009
Electronic Proposals due	4 PM EST, May 29, 2009
Internal Technical Evaluation by Allegheny Power	June 1 to 5, 2009
Interviews	Week of June 08, 2009
Contract negotiations	Week of June 08, 2009
Anticipated contract start date	Week of January 01, 2010

3.6 Minimum Qualifications

Any bidding team must have at least the following qualifications to be considered for selection:

1. Key staff members must have demonstrated experience delivering high-quality implementation services for utility sponsored Demand Response Programs. Demonstrated organizational, financial, data tracking and reporting abilities that will adequately support the work load and demands associated with the implementation effort;
2. The lead firm or entity must demonstrate sufficient infrastructure, history and experience to handle the required work and manage sub-contractors, if applicable;
3. Demonstrated ability to provide independent implementation of Allegheny Power's Demand Response programs with the implementation free of any conflict of interest with other services and products offered by the bidder's team. **The DR Vendor must be registered with the Pennsylvania Public Utility Commission as a Conservation Service Provider prior to contract execution.**

3.7 Instructions to Bidders

The following are general instructions to bidders. Specific requirements for the content and format of the proposals are presented in Section 4.

3.7.1 Modification or Cancellation of the RFP

The Company reserves the right, in its sole judgment and discretion, to modify or cancel this RFP. The Company will post a notice on the RFP website and make reasonable

efforts to notify participants of any such changes, cancellations, or schedule changes. The Company shall not have any responsibility for making such notification. The Company shall not have any liability for damages suffered by bidders as a result of modification or cancellation of the RFP.

3.7.2 Proposal Preparation Costs

Costs for developing proposals are entirely the responsibility of the bidder.

3.7.3 Post Proposal Negotiation and Awarding of Contracts

Allegheny Power reserves the right to negotiate both price and non-price factors during any post-proposal negotiations with a finalist. Allegheny Power has no obligation to enter into an Agreement with any respondent to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. This RFP shall not be construed as preventing Allegheny Power from entering into any Agreement that it deems appropriate at any time before, during or after this RFP process is complete. The Company may, but is not obligated to, request additional information and materials from any bidder for evaluation of a proposal. Failure to provide such additional information and materials may result in rejection of the proposal for further evaluation.

3.7.4 Allegheny Power is under No Obligation to Execute Agreement

Allegheny Power reserves the right to terminate the RFP process or reject any or all of the proposals received in response to this RFP at its sole discretion. Also, the bidder understands that this RFP is not intended to and does not constitute a commitment by Allegheny Power to consummate any definitive agreement with any bidders. Neither the Company nor any bidder will have any rights or obligations of any kind whatsoever by virtue of the RFP or any other written or oral expression by any party hereto.

3.7.5 Changes in Scope of Work

Provisions for payment for any additional work or changes in the scope of the work shall be mutually agreed upon at the time the EM&V Contractor is requested to perform additional work or change the scope of the work. Allegheny Power reserves the option to price the work on lump sum, time and material or competitive bid or other basis.

3.7.6 Changes in Key Personnel

Changes in EM&V C key personnel may not be made without written approval of Allegheny Power.

3.7.7 Bidders Acceptance and General Terms and Conditions

The submission of a proposal to Allegheny Power shall constitute a Bidder's acknowledgement and acceptance of all the terms, conditions and requirements of this RFP. (See Appendix A3 for General terms and Conditions, Form 26-069)

A list of exceptions to this document should be returned with bidder's response, see Section 4 of this RFP.

Bidders shall note the minimum mandatory insurance requirements in Item 8 of the GT&C's and the additionally insured will be "Allegheny Energy Service Corp. and West

Penn Power Co.”

Bidders should also note the following Sales tax message “ Buyer is exempt from PA sales tax – direct permit applies” which applies to Item 15 of the GT&C’s.

3.7.8 All Submitted Proposals Become Exclusive Property of Allegheny Power

All proposals submitted to Allegheny Power pursuant to this RFP shall become the exclusive property of Allegheny Power and may be used for any reasonable purpose by Allegheny Power.

3.7.9 Confidentiality Terms and Proprietary Information

Allegheny Power shall consider materials provided by bidders in response to this RFP to be confidential. However, bidders also agree that Allegheny Power may provide copies of the bidder's proposal to the PA PUC. Bidders should be aware that their proposal, even if marked “Confidential,” may be subject to discovery and disclosure in regulatory or judicial proceedings that may or may not be initiated by Allegheny Power. Bidders may be required to justify the requested confidential treatment under the provisions of a protective order issued in such proceedings. If required by an order of an agency or court of competent jurisdiction, Allegheny Power may produce the material in response to such order without prior consultation with the bidder. The successful bidder will be required to execute a confidentiality agreement with Allegheny Power prior to contract award (Appendix A4).

3.7.10 Warranty on Information

The information provided in the RFP, or on the Company’s RFP website, has been prepared to assist bidders in evaluating the RFP. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. The Company makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, individually or as a corporation, be liable for any representation expressed or implied in the RFP or any omissions from the RFP, or any information provided to a bidder by any other source.

A bidder should check the Company’s website frequently, to ensure it has the latest documentation and information. Neither the Company nor its representatives shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of outdated information.

3.7.11 Hold Harmless

Bidders shall hold Allegheny Power harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of the RFP or the award of a bid pursuant to the RFP.

3.7.12 Permits, Licenses and Compliance with the Law

Supplier shall obtain all licenses and permits that may be required by any governmental body or agency necessary to conduct supplier’s business or to perform hereunder. Supplier’s subcontractors, employees, agents and representatives of each in performance

hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.

3.8 Notice to Bidders

Allegheny is notifying potential vendors that other contractual requirements will be required for the vendor to enter into a contract with Allegheny to perform Curtailment Service Provider activities within the PJM markets. Allegheny will make available such documents upon review of vendor's proposals and issuing notice that Allegheny wishes to proceed with vendor's proposal.

4.0 SUBMITTAL REQUIREMENTS

4.1 Outline

Proposals must include each of the following items. Please see sections of this RFP listed in parentheses for more information regarding a specific item.

- Proposal cover and transmittal letter
- Executive Summary
- Work Scope and Schedule (5.1)
- Short Essays (5.2)
- Proposal Pricing (5.3)
 - Pricing Explanation and Allocation Logic (5.3 Appendix A1)
 - Pricing Template (5.3 Appendix A2)
- Project Management (6.1)
- Bidder's Background (6.2)
- Bidder's Experience (6.3)
- References (6.4)
- Vendor Information, Form 37-215 (Appendix A5)
- Subcontracting Plan, Form 37-216 & 37-217 (Appendix A6)
- Safety & Health Commitment (Appendix A8)
- Substance Abuse Program (Appendix A9)

4.2 Electronic Submittal Instructions

Electronic submittal should consist of two items:

1. A .doc or .pdf file containing all of the items listed in Section 4.1 of this document, in the order presented.
2. A completed Pricing Template in .xls format, satisfying the criteria listed in Section 5.3 of this document.

The PDF file and Excel spreadsheet should be attached to an email addressed to the designated contact person at the Company. The appropriate contact information is listed in Section 6.1 of this document.

5.0 PROPOSAL REQUIREMENTS

To be considered, bidders must adhere to the guidelines and requirements set forth in this RFP. The Company reserves the right to make changes to the RFP including the elimination of some conservation measures with proper notification to bidder. The Company also reserves the right to withdraw the entire RFP at any time in the process. The Company is under no obligation to procure services under this RFP.

In addition to providing a Work Scope and Schedule document meeting the criteria listed in Section 4.1, proposals should also contain detailed responses to all of the questions or statements listed in Sections 5.2 (Short Essays), 5.3 (Proposal Pricing), and 6 (About the Bidder). Where a statement is made, Bidder should indicate how it will comply with the statement. All responses should clearly indicate the referenced section. Please note a response to each one even if it repeats that of another section, notes not applicable, or response declined. Responses should be thorough yet concise. Excessive length is discouraged.

5.1 Work Scope and Schedule

At a minimum, bidders should include a detailed description of the following items in their Demand Response proposal. The bidder may separately address different methods or strategies should the bidder perceive significant benefit there from. The bidder needs to clearly mark the sections to which it is responding.

1. Detailed cost-effective Demand Response proposal program will include, but is not limited to, the following elements:
 - a. approach for assessing each evaluation component (market, process and impact) with the timing, key milestones, and scheduled tasks
 - b. description of the evaluation objectives, evaluation questions, and evaluation rigor level for each program category
 - c. description of the expected evaluation techniques, explicitly specifying the standards or protocols relied upon
 - d. description of expected evaluation software that will be used
 - e. description of the expected market research including customer surveys or other surveys
 - f. description of data and information expected to be needed from program administrators
 - g. description of primary research expected to be necessary
 - h. description of how the overall program evaluation and project management are expected to evolve over time
 - i. how program results are communicated to key stakeholders to facilitate their incorporate into future program design with the IT methodology and format you can support.

2. Data collection and management including proposed reporting. (e.g., PA Act 129 quarterly reports, PJM Capacity Markets & Reports)
 - a. Description of electronic information expected to be needed from Allegheny Power
 - b. Description of electronic information expected to be provided to Allegheny Power
 - c. Description of system interfaces expected to be needed with Allegheny Power and other third-party systems
 - d. Description of data file formats that will be supported (i.e. xml, flat files, etc)
 - e. Description of data transfer technologies that will be supported (i.e. ftp, EDI, etc)
 - f. Frequency of data transfer
3. Reporting documents for the Company, along with recommended evaluation schedule for each program and detailed work plan.
4. Plan for annual updates to Demand Response Plan.

5.2 Short Essays

Please respond to the questions and information requests that follow in the order in which they appear, referencing the section number. If there is additional information not solicited in the included questions that would provide important information concerning the bidder's approach and capabilities to satisfy the requests of this RFP, feel free to include that information at the end of the answers to questions. All responses should be provided in Microsoft Office format. Questions or statements should be restated and followed by the bidder's responses. Tables should be completed in the format provided.

5.3 Proposal Pricing

The pricing instructions and the pricing template that must be completed by the bidder can be found in Appendices A1 and A2. If granularity of any portion of the pricing template is deemed excessive, please explain the reasoning and provide the greatest level of pricing detail possible without being excessive.

6.0 ABOUT THE BIDDER

6.1 Project Management

Please answer the following questions to provide information about your project management approach.

1. Describe your methodology for project management.
2. From past projects, indicate the amount of the Company' support such as number of FTEs expected to support this project on an ongoing basis and in what capacities or to handle what tasks.
3. Describe your methodology and tools for managing project quality. Include a methodology for tracking issues (both resolved and unresolved).

4. Describe your project problem resolution process.
5. Describe how updated methodologies, baselines, standards would be handled in analysis, reporting, etc.
6. Include a Management and organizational chart that depicts the proposed relationships and proposed agreements among team members.
7. Identify lead staff member assigned to manage the evaluation work (including short bio and explanation of why they are qualified to manage the work).
8. Identify key personnel assigned to the project and describe their responsibilities.
9. Lists anticipated subcontractors and describe subcontractors' mark-up percentage.
10. Describe use of local contractors.

6.2 Bidder's Background

At a minimum, bidder must provide the following information relative to bidder's company and team members. If the RFP response includes subcontractors, it must make clear the subcontractor's responsibility, scope of work, and capabilities to perform that work. Identical information must be provided for each subcontractor and/or joint venture member:

1. Years of professional practice (Provide the number of years of professional experience related to the areas of evaluation).
2. Total number of clients in operation with a similar demand response programs.
3. Key people assigned to evaluate the programs (include their experience and area of expertise).
4. Demonstrated ability to provide demand response solutions.
5. The D&B report reflecting the bidder's financial status.

6.3 Bidder's Experience

Summarize experience and relate its relevance for each of the proposed programs including specific examples where the bidder has executed similar demand response programs for that particular customer segment throughout North America. Several examples of actual programs should be provided.

6.4 References

Appendix A6 - Vendor Company and Evaluation Questionnaire requires 3-4 client references. Vendors should provide references for each one of the residential and small commercial programs that the Vendor has evaluated. Please follow the below format when providing references.

Customer/Client Name					
Reference Name					
Title					
Phone Number					
Mailing Address					
Fax Number					
Customer Type (for example, Investor Owned Utility, co-op and/or municipality)	Customer Size	Program Evaluated	Program Participants	Study Complete Date	Evaluation Technique (engineering, interval metering, and/or billing data)

7. SELECTION PROCESS AND EVALUATION CRITERIA

Allegheny Power’s business principles include selecting consultants using a fair, transparent, well defined, clear and unbiased process based on explicit selection criteria. Using these principles, a quick and straightforward selection and contracting process is planned with work scheduled to begin at the end of January 2010. This Section describes the selection process and evaluation criteria:

7.1 Selection Process

All proposals will be evaluated using the following process:

Step 1: Threshold Review

The threshold review ensures that proposals contain all required elements and that the bidders demonstrate that there are no legal claims/judgments or conflicts of interest that would make it difficult for them to perform. The threshold review, and ongoing reviews, will also include consideration of omissions, inaccuracies or misstatements. Allegheny Power can remove proposals that do not pass the threshold review from further consideration.

Step 2: Evaluation Criteria

Proposals passing the threshold review are evaluated using a formal review and scoring process. Evaluation criteria are described below.

Step 3: Interviews

Top-ranked bidders may be invited to an interview. Presentations and answers to reviewer questions will be scored. Criteria will include:

- o Quality of presentation
- o Interaction and cohesiveness of the team
- o Responses to questions

Note that Allegheny Power reserves the right to forego this step should a single proposal be ranked in the technical review as clearly superior to others.

Step 4: Selection and Contract Negotiation

Allegheny Power will initially notify only the selected bidder(s) for the evaluation of the DR portfolios via E-mail. This notification will initiate the Agreement negotiation process. Should Allegheny Power and the selected bidder(s) be not able to quickly enter into an Agreement, Allegheny Power may terminate negotiations and initiate negotiations with the next ranked bidder(s).

7.2 Evaluation Scoring Matrix

Allegheny Power will base their evaluation of proposals on the scoring matrix in Table 7.1. Brief descriptions of the criteria are provided below.

Table 7.1: RFP Evaluation Criteria/Scoring Matrix

	Approximate Weighted Percent
Part A: Technical Approach	30%
1. Proposal quality	
2. Thoroughness and practicality of approach	
3. Clarity regarding Allegheny Powers Demand Response objectives and quality of proposed approach for meeting those objectives	
4. Best practice, innovation, and likelihood for success in accurately measuring impacts.	
5. Balancing of complex issues for conducting Demand Response for Allegheny Power	
Part B: Organizational and Management Capability	30%
1. Demonstrated competence and experience	
2. Management structure	
3. References	
4. Assigned staffing for prime and subcontractors	
Local presence	
Part C: Cost (per individual item, as defined)	40%
1. Initial Market Assessment – Firm Cost	
2. Curtailment Service Provider Yearly Cost Unit Cost – Customer Equipment Capacity and Energy Payment - % Split	
3. Demand Response Program – Allegheny Yearly Cost Unit Cost – Customer Equipment Capacity and Energy	
4. Load Resources Only - Price and volume: Committed Capacity (Load Reduction) - MW Capacity Price - \$/MW/Day	
5. Customer Demand Response (Control) Program	
Total	100%

7.2.1 Technical Approach

Included in this category will be an assessment of the overall quality of the proposal and the approach to achieving successful demand response start-up, planning, delivery, and reporting. This will include assessment of ability to achieve proposed program milestones and sub-tasks and achieve demand response results. Allegheny Power will award points based on the assessment of the quality of approach to the work scope, and proposed metrics and reporting approaches. Significant consideration will also be given to the overall thoughtfulness and creativity of the approach and means of allocating the budget between Tasks and Programs proposed in order to achieve high quality demand results that meet or exceed Allegheny Power's objectives.

Purchase Order



ISSUED BY
Allegheeny Energy Service Corporation
an Allegheeny Energy company

AGENT-FOR-BUYER
800 Cabin Hill Drive
Attn: Procurement
Greensburg, PA 15601-1650
FAX: (724) 830-7714

Page 1 of 3
PO# 4500212298

ROTH BROS INC
PO Box 4209
YOUNGSTOWN OH 44515-0209

Your Vendor Number with us
10031593

Please Deliver to :
Connellsville Distribution Center
West Penn Power Company
311 South Seventh Street
Connellsville PA 15425-3015

Bill and Mail Invoices to :

Buying Company:

West Penn Power Company

Disbursement Accounting
800 Cabin Hill Drive
Greensburg, PA 15601-1650

Purchase Order

Purchasing Document Date
4500212298 06-19-2009

Purchasing Buyer Telephone

Fax number Our Reference

E-Mail

All material to Connellsville or Williamsport Distribution Centers must be delivered between 7:00 am and 11:00 am Monday through Friday only. For all other locations, deliveries must be made between 7:00 am and 3:00 pm Monday through Friday (unless otherwise specified on the purchase order). No U.S. holiday deliveries (including New Year's Day, President's Day, Good Friday, Memorial Day, July 4, Labor Day, Veterans' Day, Thanksgiving Day, and Christmas Day).

IMPORTANT: Invoice must be in purchase order unit of measure.

Buyer reserves the right to assign this contract, in whole or in part, to one or more of its affiliates, their successors or assigns at any time.

All Correspondence, Shipping Papers, Invoices, Bills of Lading and Packages must show the Stock Number, Purchase Order Number, and Work Order and Op Step Numbers (if applicable and as identified in the Purchase Order header text or item text).

ANY AGENT, REPRESENTATIVE, CONSULTANT OR CONTRACTOR PROVIDING SERVICES TO ALLEGHENY ENERGY IS EXPECTED TO FOLLOW ALLEGHENY ENERGY'S CODE OF BUSINESS CONDUCT AND ETHICS, WHICH IS AVAILABLE ON THE COMPANY'S WEBSITE, www.allegheenyenergy.com, IN THE CORPORATE GOVERNANCE SECTION. IT IS ALSO AVAILABLE AT http://media.corporate-ir.net/media_files/iys/aye/corpgov/code4.pdf.

This document, and any attached or referenced documents, may contain information proprietary to Allegheny Energy Service Corporation, its affiliates, and parent. You agree that this document is to be used solely by you exclusively for the purpose for which it is furnished, and AESC requires it to be returned or destroyed when no longer required for that purpose. This document and any information obtained therefrom shall not be reproduced, transmitted, or disclosed in whole or in part to other organizations without the prior written authorization of AESC.

IncoTerms : SVC Freight Not Applicable N

Currency : USD

Terms of Payment : Within 60 days Due Net

This offer to purchase includes all the terms and conditions applicable to this purchase order. Acknowledgement is required for services or exceptions only. Shipment of goods will constitute your acceptance of this purchase order's terms and conditions.

AUTHORIZED BY: 

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Vendor Copy



Purchase Order
 ISSUED BY
 **Allegheny Energy Service Corporation**
an Allegheny Energy company
 AGENT-FOR-BUYER
 800 Cabin Hill Drive
 Altex Procurement
 Greensburg, PA 15601-1850
 FAX: (724) 830-7714

Page 2 of 3
 PO# 4500212298

Header text

This purchase order is issued for the completion of an Initial Market Assessment for Demand Response of Allegheny Power's commercial/industrial customer base per Scope of Work in Section 5.3.1 of Allegheny Power's "Request for Proposal for the Demand Response Provider for Non Residential Demand Response Programs per Pennsylvania Act 129, Version 1, dated May 14, 2009.

As part of this purchase order, Seller will not make any onsite visits to, or have any contact with, Allegheny Power customers.

Seller has confirmed that it is not affiliated with an Electric Distribution Company (EDC) through ownership, partial ownership or control. Affiliation or merger with an EDC by a Conservation Service Provider (CSP) at any time during the term of the contract will constitute a breach of the contract by the CSP and cause the termination of the contract. The CSP will immediately notify Allegheny Power of a merger and provide for automatic termination of the contract.

Seller is required to maintain registration with the PA PUC as an approved CSP during the term of the contract.

Incorporated by reference are the following:

1. PowerAdvocate bid event 18833, Demand Response Provider (Non-Residential)-BMC472-S, dated 05/15/09.
2. Roth Bros. proposal (initial Market Assessment, Section 5.3.1 only) submitted via PowerAdvocate by Kevin Callahan and Gene Ameduri, as revised by email dated 06/16/09 from Gene Ameduri.

PAYMENT TERMS NET 60 DAYS.

Allegheny Energy Service Corporation General Terms and Conditions shall apply.

This purchase order is dependent upon the approval of the Energy Efficiency and Conservation Plan by the Pennsylvania Public Utility Commission.

Item	Material	Order Qty.	UOM	Unit Price	Per	Net Value
00010 US		1	AU	\$	1	\$
Description : Market Analysis for DR -PA						
Required Date : 12-31-2009						
Item text		Initial Market Assessment for Demand Response - PA				
		Firm Price				
Purch. Req. Number : 10252560		Purch. Req. Item : 00010				
Tax Code Description : Direct Pay						
The Item covers the following services :						
Service Item	Service Number	Service Description	Qty	UOM	Rate	
	10	Market Analysis for Demand Response-PA			\$	

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Vendor Copy



Purchase Order
ISSUED BY
Allegheey Energy Service Corporation
an Allegheey Energy company

AGENT-FOR-BUYER
800 Cabin Hill Drive
Attn: Procurement
Greensburg, PA 15601-1650
FAX: (724) 630-7714

Page 3 of 3
PO# 4500212298

Total Net Value

\$

End of Purchase Order

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Vendor Copy

A handwritten signature or initials in the bottom right corner of the page.

GENERAL TERMS AND CONDITIONS

1. **BUYER:** Each company for which materials ordered herein are to be used or for which services ordered herein are to be performed shall be the Buyer of those materials or services. No Buyer shall be liable to Seller for any obligation of any other Buyer hereunder.
2. **OFFER, ACCEPTANCE AND AMENDMENTS:** This purchase order is an offer by Buyer to Seller, is not an acceptance of the terms and conditions of any offer made by Seller to Buyer, and any such offer is expressly rejected. Acceptance of this offer is expressly limited to its terms. Upon acceptance by Seller, this purchase order becomes the final agreement between Seller and Buyer, constituting the entire contract and superseding all previous communications, oral or written. This purchase order may be modified only by a writing signed by Buyer.
3. **RESPONSIBILITY:** Seller in its performance hereunder shall at all times be an independent contractor and responsible for all acts or omissions (negligent or otherwise) of its agents, employees and subcontractors. Personnel employed by or representing Seller on Buyer's premises shall be subject to the continuing approval of Buyer and any worker who is unsatisfactory shall be removed at the request of Buyer. Furthermore, all subcontractors employed by Seller shall be subject to Buyer's continuing approval. Seller shall be and remain liable and responsible for the manner and methods of work performed and for materials, working forces and equipment, irrespective of whether or not any changes are made as a result of any comments received from Buyer.
4. **EMPLOYMENT STANDARDS:** Seller agrees, unless exempt, to comply with the Federal Acquisition Regulations System (FAR) including, but not limited to, solicitation provisions and contract clauses in the following implementation provisions which are hereby incorporated by reference: Equal Employment Opportunity (48 C.F.R. § 22.5), Special Disabled and Veterans Era Veterans (48 C.F.R. § 22.13, 43 C.F.R. 60-250.4(n)), Employment of the Handicapped (48 C.F.R. § 22.14, 41 C.F.R. 101-74.1(A)), Small Business and Small Disadvantaged Business Concerns (48 C.F.R. § 19.000-19.002), Pollution Control and Clean Air and Water (48 C.F.R. § 22.1). Seller further agrees by its acceptance of this purchase order to make certifications and periodic reports required by the FAR and the laws and Executive Orders implemented by those regulations.
5. **SMALL BUSINESS STANDARDS:** Pursuant to the Small Business Act as amended (15 U.S.C. § 631 et seq.) and Uniform of Small Business Concerns (48 C.F.R. § 19.000-19.002, and § 52.219-8), Seller agrees to use its best efforts to carry out the policy stated in the said Act as amended and that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals as defined in the Act have the maximum practicable opportunity to compete for subcontracts to the fullest extent consistent with the efficient performance of the contract.
6. **SAFETY AND HEALTH:** Seller shall take all precautions necessary and shall be solely responsible for the safety of the work and the safety and adequacy of the manner and methods it employs in performing the work and shall not require any employee or representative performing hereunder to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to health or safety. Seller shall comply with the work in conformance with all applicable safety and health laws, ordinances, rules, regulations, orders and all other requirements including those promulgated pursuant to OSHA and by Buyer when on Buyer's premises.
7. **PERMITS, LICENSES AND COMPLIANCE WITH THE LAW:** Seller shall obtain all licenses and permits that may be required by any governmental body or agency necessary to conduct Seller's business or to perform Seller's subcontracts, and employees, agents and representatives of each in performance of work hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.
8. **INSURANCE:** Prior to providing any service hereunder, Seller shall, at its own expense, procure and thereafter keep in effect until service has been performed: (a) Workers' Compensation Insurance for its employees engaged in this work, sufficient to comply fully with requirements specified by laws of each jurisdiction in which work shall be performed; (b) Commercial General Liability Insurance providing limits of not less than \$3,000,000 combined single limit per occurrence for bodily injury and death and for property damage and including coverage for Contractual Liability, covering all liability of Seller under this purchase order and including Products-Completed Operations; (c) Comprehensive Automobile Liability Insurance (including owned, non-owned and hired vehicles), providing limits of not less than \$1,000,000 combined single limit per occurrence for bodily injury and death and including property damage; (d) such other specific insurances and/or limits determined by Buyer to be appropriate for work to be performed. Seller shall cause Buyer to be added as an additional insured on the policies of insurance and furnish Buyer (Attention: Event Risk Manager) with certificates of insuring completed showing such insurance to be in effect and the expiration dates and agreeing to give thirty (30) days written notice to Buyer in advance of any change in or cancellation of such insurances.
9. **PROPRIETARY RIGHTS:** Seller shall defend, at its own expense, indemnify and hold harmless Buyer, Buyer's Agent and Buyer's Representative, and employees, agents and representatives of each against all costs and damages, including attorneys' fees, arising out of any action in which it is alleged that the materials or any use thereof constitutes a misappropriation or infringement of any patent, copyright, trade secret or any other proprietary rights. If Buyer, Buyer's Agent or Buyer's Representative is found to be misappropriator or infringer in any use of the materials specified in this purchase order, Seller shall, at its own expense, either procure for Buyer, Buyer's Agent or Buyer's Representative the right to use the materials or stop or require said materials with functionally equivalent materials that are acceptable to Buyer and pay all expenses established as a result of such installation or replacement.
10. **PERFORMANCE:** Except as provided in Paragraph 11, if delivery of materials or rendering of services is not completed by the time specified in this purchase order, Buyer reserves the right, without liability and in addition to its other rights and remedies at law or in equity, to cancel all or any part of this purchase order, by notice effective when received by Seller as to materials not yet shipped or services not yet rendered.
11. **DELAY:** If, by reason of uncontrollable forces as defined herein, Buyer or Seller shall be unable to perform any of its obligations in whole or in part, and if within ten days after the occurrence thereof the party affected gives written notice to the other, then the obligations of both parties shall be suspended to the extent made necessary by such occurrence. The term "uncontrollable force" as used herein, includes, but is not limited to, acts of God, fire, floods, explosions, strikes and other labor disputes, governmental regulations, acts or omissions of governmental authority, unusually severe weather, inability to obtain necessary permits and licenses, inability of Buyer to obtain adequate financing or other economic responsibility.
12. **SUSPENSION:** Seller, upon written notice from Buyer, shall suspend or stop temporarily performance hereunder.
13. **TERMINATION WITHOUT CAUSE:** Buyer may terminate this purchase order without cause at any time in whole or in part by written notification to Seller. Upon receipt of notice of termination, Seller shall, unless notified otherwise, immediately discontinue the work hereunder, cease delivery and control of materials, and make reasonable efforts to cancel existing orders, contracts and subcontracts, making therefor upon herein satisfactory to Buyer. After receipt of notice of termination, Seller shall continue to perform such work as necessary to preserve and protect material and work in progress, or in transit, until relinquishing possession and control of same as provided in the portion of termination. Upon completion with a notice of termination, Seller shall be entitled to be compensated for actual costs incurred and a reasonable, prompt profit rate for the actual costs incurred. Such termination shall be without prejudice to any claims which Buyer may have against Seller and the paragraph shall apply if Buyer terminates for cause.
14. **TITLE AND RISK OF LOSS:** The risk of loss shall transfer from Seller to Buyer upon delivery of all materials ordered hereunder at the destination specified on the face of this purchase order. Every shipment and invoice shall be marked to show Buyer, Buyer's purchase order number and carrier by which the materials are to be shipped. Materials shipped C.O.D. without Buyer's written consent shall not be accepted and will be at Seller's risk.
15. **TAXES:** Unless otherwise specified in this purchase order, the price of goods and services ordered herein shall not include any taxes and charges now or hereafter imposed upon Seller by any federal, state or local government or any governmental agency of the United States or the government of any other country or subdivision thereof by reason of the agreement or performance by Seller hereunder. Buyer will execute and furnish to Seller Certificates of Exemption from state sales taxes upon request.
16. **PRICE INFORMATION:** Upon request, Seller shall provide Buyer with sufficient information relating to prices of materials and services to enable Buyer to comply with accounting regulations of the Federal Energy Regulatory Commission.
17. **PAYMENT:** Buyer shall make payment to Seller in accordance with the terms of this purchase order. Buyer reserves the right to retain 10% of the payments made on purchase orders for services as such payments are made hereunder. The 10% retained shall be paid to Seller when Buyer is satisfied that the interests of Buyer in the completed work have been protected. Such payment shall not be unreasonably withheld. No payment shall be evidence of satisfactory performance of this purchase order or shall be construed to be an acceptance of defective or nonconforming materials or services.
18. **RELEASES:** Seller shall give Buyer written notice of any claims, liens or encumbrances of any nature affecting or relating to the work to be performed hereunder. Buyer shall have the right prior to making final payment to Seller to require Seller to certify that no such claim, lien or encumbrance related to the work is outstanding and to furnish releases from Seller's employees, subcontractors, suppliers and any other claimants in support thereof. If any lien is filed or Buyer receives any notice of a lien filed or to be filed to secure any claim arising out of any performance or omission in connection with the performance hereof, Seller shall, upon written demand by Buyer, promptly obtain and record a full release and discharge of such lien. If Seller fails to do so, Buyer may pay such claim from monies due or payable to Seller and obtain and record such release and discharge at Seller's expense.
19. **RIGHT TO AUDIT:** If the price stated in this purchase order is other than a firm price, Buyer shall have the right to inspect and audit all the books, records, correspondence, receipts, vouchers, and memoranda, etc., of Seller, Seller's subcontractors and other entity used by Seller in performing this purchase order. Any such work disclosed by any such inspection not to be in conformity with the requirements of this purchase order shall, immediately following notification thereof, be corrected by Seller at Seller's expense. Seller shall provide ready access to such work and where necessary for such inspections shall provide scaffolds and ladders in place and such other equipment normal to conduct such inspections.
20. **INSPECTION:** Buyer shall have the right from time to time to inspect the work in progress or completed at Seller's premises upon reasonable notice and on Buyer's premises without such notice. Any such inspection shall in no way relieve Seller of any of its obligations under this purchase order. Any such work disclosed by any such inspection not to be in conformity with the requirements of this purchase order shall, immediately following notification thereof, be corrected by Seller at Seller's expense. Seller shall provide ready access to such work and where necessary for such inspections shall provide scaffolds and ladders in place and such other equipment normal to conduct such inspections.
21. **ACCESS:** Personnel of Seller and subcontractors employed by Seller shall enter and exit Buyer's premises only by the special entrance designated from time to time by Buyer.
22. **WARRANTY:** In addition to, and not in limitation of, any other remedies provided herein or by law or in equity, Seller expressly warrants that the goods and/or services supplied hereunder will conform to Buyer's specifications in all respects and will be of good workmanship and quality, free from all defects (including defects in design and use) and fit for the purposes intended by Buyer. Upon failure of any of the materials and/or services ordered hereunder to conform to the above warranties, Seller shall, at Buyer's option and at no cost to Buyer, promptly repair or replace any item of material or service or reperform any service so that they conform to the above warranties. The cost of transporting, repairing, replacing, removing or installing material to make materials and services comply with the above warranty shall be borne by Seller.
23. **INDEMNIFICATION:** To the fullest extent permitted by law and regardless of whether or not caused by the negligence of a party indemnified herein, Seller shall indemnify, save harmless and defend (Indemnity Obligation) Buyer, Buyer's Agent, Buyer's Representative and employees, agents, directors, officers and representatives of each, from all claims, losses, liabilities and expenses, including attorneys' fees, growing out of personal injury, death or damage to property (including property of Buyer, Buyer's Agent or Buyer's Representative) arising out of or in any way connected with Seller or Seller's subcontractors, and employees, agents and representatives of each, performance or nonperformance hereunder (negligent or otherwise) suffered or claimed to have been suffered by any person (including anyone directly or indirectly employed by Seller or Seller's subcontractors), corporation or entity (including Buyer, Buyer's Agent, Buyer's Representative and employees, agents and representatives of each), unless due to the sole negligence of Buyer, Buyer's Agent, Buyer's Representative or employees, agents and representatives of each. Seller intends that its Indemnity Obligation to each party indemnified herein for claims related to or brought by anyone directly or indirectly employed by Seller or Seller's subcontractors shall not be limited in any way by any provision of any workers' compensation act, disability benefits act or other employee benefit act, and Seller hereby waives immunity under such acts to the extent such acts would bar recovery under, or full enforcement of, Seller's Indemnity Obligation.
24. **ASSIGNMENT:** No right or interest in this purchase order shall be assigned by Seller, and no delegation or subcontracting of any obligation of Seller hereunder shall be made without written permission of Buyer. Any attempted assignment, delegation or subcontracting without such approval shall be void.
25. **WAIVER:** Buyer's failure to insist on any right shall not operate as a waiver unless agreed to in writing by Buyer.
26. **CONFLICTS:** In the event of any conflict among the documents incorporated into this purchase order, Buyer's specifications and special terms shall prevail over Seller's proposal.
27. **VALIDITY:** In the event that any paragraph(s) or any part of these General Terms and Conditions shall be found to be contrary to law and invalid, all other paragraphs and the remaining part of any partially invalid paragraph shall be and remain in full force and effect and shall be binding upon the parties hereto.
28. **APPLICABLE LAW:** The validity, interpretation and performance of this purchase order shall be governed by the laws of the Commonwealth of Pennsylvania.

FORM 28-009.1

Purchase Order



ISSUED BY
Allegheny Energy Service Corporation
an Allegheny Energy company

Page 1 of 3
 PO# 4500212298

AGENT-FOR-BUYER
 800 Cabin Hill Drive
 Attn: Procurement
 Greensburg, PA 15601-1650
 FAX: (724) 830-7714

ALLEGHENY ENERGY SERVICE CORP.
 800 CABIN HILL DRIVE
 ATTN: PROCUREMENT
 GREENSBURG, PA 15601-1650

Your Vendor Number with us
 10031593

Please Deliver to :
 Connellsville Distribution Center
 West Penn Power Company
 311 South Seventh Street
 Connellsville PA 15425-3015

All material to Connellsville or Williamsport Distribution Centers must be delivered between 7:00 am and 11:00 am Monday through Friday only. For all other locations, deliveries must be made between 7:00 am and 3:00 pm Monday through Friday (unless otherwise specified on the purchase order). No U.S. holiday deliveries (including New Year's Day, President's Day, Good Friday, Memorial Day, July 4, Labor Day, Veterans' Day, Thanksgiving Day, and Christmas Day).

IMPORTANT: Invoice must be in purchase order unit of measure.

Buyer reserves the right to assign this contract, in whole or in part, to one or more of its affiliates, their successors or assigns at any time.

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This document, and any attached or referenced documents, may contain information proprietary to Allegheny Energy Service Corporation, its affiliates, and parent. You agree that this document is to be used solely by you exclusively for the purpose for which it is furnished, and AESC requires it to be returned or destroyed when no longer required for that purpose. This document and any information obtained therefrom shall not be reproduced, transmitted, or disclosed in whole or in part to other organizations without the prior written authorization of AESC.

Incoterms : SVC . Freight Not Applicable N

Currency : USD

** AN ACKNOWLEDGEMENT COPY IS TO BE RETURNED WITHIN 10 DAYS FOR **
 ** ALL PURCHASE ORDERS INVOLVING SERVICES OR EXCEPTIONS ONLY. **

Don Ambrose *Roth/Enclosure* _____ *6/25/09*
 (SELLER'S SIGNATURE) (COMPANY) (PHONE NO) (DATE)

 (SELLER'S ORDER NO) (SHIP DATE)

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Acknowledgement Copy for Exceptions or Services Only

Seller :	
ROTH BROS INC PO Box 4209 YOUNGSTOWN OH 44515-0209	
Purchase Order	
Purchasing Document	Date
4500212298	06-18-2009
Purchasing Buyer	Telephone
Fax number	Our Reference
E-Mail	

Purchase Order
 ISSUED BY
 **Allegheny Energy Service Corporation**
an Allegheny Energy company
 AGENT-FOR-BUYER
 800 Cabin Hill Drive
 Attn: Procurement
 Greensburg, PA 15601-1605
 FAX: (724) 830-5692

Page 2 of 3
 PO# 4500212298

Terms of Payment : Within 60 days Due Net

Header text

This purchase order is issued for the completion of an initial Market Assessment for Demand Response of Allegheny Power's commercial/industrial customer base per Scope of Work in Section 5.3.1 of Allegheny Power's "Request for Proposal for the Demand Response Provider for Non Residential Demand Response Programs per Pennsylvania Act 129, Version 1, dated May 14, 2009.

As part of this purchase order, Seller will not make any onsite visits to, or have any contact with, Allegheny Power customers.

Seller has confirmed that it is not affiliated with an Electric Distribution Company (EDC) through ownership, partial ownership or control. Affiliation or merger with an EDC by a Conservation Service Provider (CSP) at any time during the term of the contract will constitute a breach of the contract by the CSP and cause the termination of the contract. The CSP will immediately notify Allegheny Power of a merger and provide for automatic termination of the contract.

Seller is required to maintain registration with the PA PUC as an approved CSP during the term of the contract.

Incorporated by reference are the following:

1. PowerAdvocate bid event 18833, Demand Response Provider (Non-Residential)-BMC472-S, dated 05/15/09.
2. Roth Bros. proposal (initial Market Assessment, Section 5.3.1 only) submitted via PowerAdvocate by Kevin Callahan and Gene Ameduri, as revised by email dated 06/16/09 from Gene Ameduri.

PAYMENT TERMS NET 60 DAYS.

Allegheny Energy Service Corporation General Terms and Conditions shall apply.

This purchase order is dependent upon the approval of the Energy Efficiency and Conservation Plan by the Pennsylvania Public Utility Commission.

Item	Material	Order Qty.	UOM	Unit Price	Per	Net Value
00010 US		1	AU	\$	1	\$
Description : Market Analysis for DR -PA						
Required Date : 12-31-2009						
Item text		Initial Market Assessment for Demand Response - PA				
		Firm Price \$				
Purch. Req. Number : 10252560		Purch. Req. Item : 00010				
Tax Code Description : Direct Pay						
The item covers the following services :						
Service Item	Service Number	Service Description	Qty	UOM	Rate	

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200; 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Acknowledgement Copy for Exceptions or Services Only

MPC

Purchase Order
 ISSUED BY
 **Allegheny Energy Service Corporation**
an Allegheny Energy company
 AGENT-FOR-BUYER
 800 Cabell Hill Drive
 Altus Procurement
 Greensburg, PA 15601-1605
 FAX: (724) 890-5892

Page 3 of 3
 PO# 4500212298

Item	Material	Order Qty.	UOM	Unit Price	Per	Net Value
10					AU	\$
Total Net Value						\$

End of Purchase Order

Note : If it has been determined that the product purchased is a hazardous substance according to OSHA 1910.1200, 2 copies of the material safety data sheet for such product must be included with the shipping papers to the receiver of the product. If seller fails to supply such information, seller shall be considered to be in breach of contract.

Acknowledgement Copy for Exceptions or Services Only

- D. Program by program calculation of savings and costs for each program year. Include separate sections for each program with sub-sections for each year describing savings and costs information. Cost data should include for each program (and for General Administrative Cost Areas of Planning, Evaluation and Other) and each program year separate budgets for (see Example Tables 6A, 6B, and 6C):**

- **Direct Program Costs**
 - EDC labor and expenses
 - EDC materials and supplies
 - CSP labor
 - CSP materials and supplies
 - Other outside services (define)
 - Customer incentives
 - Other (define)

Allegheny follows specific methodologies and procedures for the allocation of the cost of shared assets, employees, and services among Allegheny's entities. These methodologies and procedures have been developed to be consistent with applicable state and federal regulatory requirements, to protect ratepayers and to ensure the integrity of the financial information presented for each entity within the Allegheny Energy, Inc.'s holding company system. In addition, there are Sarbanes Oxley controls in place that specifically address the issue of appropriate cost allocation among the entities within SAP.

The Federal Energy Regulatory Commission recently completed an audit of Allegheny Energy Service Corporation's reporting and allocation methodologies in 2008. Allegheny's entities are also audited periodically by the State Commissions.

Allegheny Power is using SAP (System Applications Product) to track actual internal and external program costs. Cost objects have been created to accurately capture all costs incurred related to PA Act 129. There are controls in place to ensure that all costs charged to these cost objects are accurate. Each month, reports are run and costs are analyzed by Corporate Accounting, Internal Auditors and a Financial Support Specialist in the Customer Services area.

The costs incurred related to Act 129 include internal labor and overheads, employee expenses, outside services, advertising and other miscellaneous expenses. These dollars are tracked for labor, outside services, etc., for each program and measures within the plan. All outside services invoices are reviewed by the departments responsible for procuring the service. A summary report of these costs is prepared each month for management's review.

All costs and labor incurred related to planning and program development, cost benefit analysis, measurement and verification, and reporting will be captured using these SAP cost objects.

See Tables 7A through 7E for program by program calculations of savings and costs for each year. See Tables 6A and 6B as follows for program specific costs by cost element. See section 10.E. for a description of cost elements.

- **Administrative Costs, including but not limited to costs relating to plan and program development, cost-benefit analysis, measurement and verification, and reporting.**

Allegheny Power calculated administrative costs by estimating costs associated with specific activities, utilizing price quotations and by using actual charges year to date to establish program development costs. Administrative costs include start-up costs such as information technology (IT), database and web portal development, and program development. IT, database and web portal development costs were estimated based on IT requirements that were identified specific to the proposed EE&C and DR programs. Other administrative costs include costs for program development costs, with this component based on actual charges year to date. See Tables 6A and 6B as follows for the common and specific costs for administration.

• Total costs.

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Residential Portfolio (including Low-Income)							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
CFL Rewards Program	\$0	\$0	\$0	\$0	\$1,174,369	\$0	\$1,174,369
Critical Peak Rebate Rate Offering	\$0	\$0	\$0	\$0	\$610,830	\$0	\$610,830
Energy Star Appliance Program	\$0	\$0	\$4,091,452	\$0	\$6,015,246	\$0	\$10,106,698
Home Performance Program	\$374,721	\$0	\$2,217,820	\$0	\$3,373,158	\$0	\$5,965,699
Low Income Home Performance Check-Up & Appliance Replacement Program	\$17,623	\$0	\$362,280	\$0	\$4,238,554	\$0	\$4,618,457
Low Income Joint Utility Usage Management Program	\$41,781	\$0	\$362,280	\$0	\$5,427,276	\$0	\$5,831,337
Residential Whole Home Appliance Efficiency Program	\$0	\$0	\$0	\$0	\$974,506	\$0	\$974,506
							\$0
Totals	\$434,125	\$0	\$7,033,832	\$0	\$21,813,940	\$0	\$29,281,896

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Small Commercial/Industrial Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Commercial HVAC Efficiency Program	\$0	\$0	\$0	\$0	\$172,669	\$0	\$172,669
Commercial Products Efficiency Program	\$0	\$0	\$0	\$0	\$11,891,042	\$0	\$11,891,042
Custom Technology Program	\$0	\$0	\$1,150,530	\$0	\$4,425,116	\$0	\$5,575,646
Time of Use with Critical Peak Pricing Program	\$0	\$0	\$0	\$0	\$199,713	\$0	\$199,713
							\$0
Totals	\$0	\$0	\$1,150,530	\$0	\$16,688,539	\$0	\$17,839,069

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Large Commercial/Industrial Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Commercial & Industrial Custom Applications Program	\$0	\$0	\$373,333	\$0	\$8,400,000	\$0	\$8,773,333
Customer Load Response Program	\$10,500	\$0	\$0	\$0	\$908,250	\$0	\$918,750
Customer Resources for Demand Response	\$20,000	\$0	\$0	\$0	\$2,150,000	\$0	\$2,170,000
Distributed Generation Program	\$0	\$0	\$0	\$0	\$372,750	\$0	\$372,750
							\$0
Totals	\$30,500	\$0	\$373,333	\$0	\$11,831,000	\$0	\$12,234,833

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Governmental/Non-Profit Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Governmental/Non-Profit Lighting Program	\$0	\$0	\$0	\$0	\$3,378,014	\$0	\$3,378,014
							\$0
Totals	\$0	\$0	\$0	\$0	\$3,378,014	\$0	\$3,378,014

Table 6B: Allocation of Common Costs to Applicable Customer Sector

Common Cost Element	Total Cost (\$)	Basis for Cost Allocation	Class Cost Allocation (\$)			
			Residential (Including Low-Income)	Commercial/Industrial -- Small	Commercial/Industrial -- Large	Governmental/Non-profit
Administration Costs	\$17,676,254	Energy usage, program level and measure share allocation	\$7,019,605	\$5,340,941	\$4,177,632	\$1,138,077
Marketing Costs	\$9,061,373	Program and measure level marketing plan	\$8,040,461	\$640,080	\$78,912	\$301,920
Outside Services Costs	\$1,088,178	Program requirements and participation levels	\$281,682	\$804,216	\$0	\$2,280
Evaluation Costs	\$3,690,375	Program level EMV plan	\$1,723,640	\$1,046,283	\$679,437	\$241,014
Customer Incentive Costs	\$0		\$0	\$0	\$0	\$0
Utility Capital Equipment Costs	\$0		\$0	\$0	\$0	\$0
Totals	\$31,516,180		\$17,065,388	\$7,831,520	\$4,935,981	\$1,683,291

Table 6C: Summary of Portfolio EE&C Costs

Portfolio	Total Sector Portfolio-specific Costs	Total Common Costs	Total of All Costs
Residential (Including Low-Income)	\$29,281,896	\$17,065,388	\$46,347,284
Commercial/Industrial -- Small	\$17,839,069	\$7,831,520	\$25,670,590
Commercial/Industrial -- Large	\$12,234,833	\$4,935,981	\$17,170,814
Governmental/Non-profit	\$3,378,014	\$1,683,291	\$5,061,304
Totals	\$62,733,812	\$31,516,180	\$94,249,992

- Cost effectiveness calculations by program and by program year, indicating benefits by category (see Example Table 7A – 7E).

Table 7A: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation

Residential	TRC Benefits By Program Per Year (\$000)												
	Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions in kW		MWh Saved	
						Annual	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime
CFL Rewards Program	1	-5719,315	\$835,467	\$116,153	\$6,263	\$41,501	\$26,594	\$41,794	82	82	1,598	1,598	
	2	\$678,572	\$1,107,624	\$1,786,196	\$90,817	\$674,063	\$406,648	\$614,669	1,178	1,260	21,674	23,182	
	3	\$2,844,436	\$1,466,640	\$4,311,076	\$128,858	\$1,600,502	\$1,012,115	\$1,569,601	1,711	2,971	31,475	64,657	
	4	\$5,462,235	\$1,490,615	\$6,952,850	\$31,018	\$2,586,166	\$1,689,336	\$2,646,330	1,810	4,781	33,301	87,958	
	5	\$7,172,675	\$0	\$7,172,675	\$52,256	\$2,999,761	\$1,758,053	\$2,762,604	0	4,781	0	87,958	
	6	\$5,970,807	\$0	\$5,970,807	\$54,687	\$2,023,034	\$1,483,443	\$2,409,644	0	4,781	0	68,196	
	7	\$5,074,530	\$0	\$5,074,530	\$56,250	\$1,642,186	\$1,282,022	\$2,094,022	0	4,699	0	55,192	
	8	\$3,970,443	\$0	\$3,970,443	\$44,108	\$1,287,214	\$1,014,927	\$1,623,683	0	3,521	0	41,355	
	9	\$2,149,389	\$0	\$2,149,389	\$23,731	\$692,802	\$549,845	\$883,013	0	1,810	0	21,260	
Critical Peak Rebate Rate Offering	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$295,265	\$295,265	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3	-\$49,501	\$328,636	\$279,136	\$211,171	\$14,258	\$53,706	\$0	4,869	4,869	487	487	
	4	-\$106,354	\$258,158	\$151,803	\$47,665	\$21,603	\$82,535	\$0	7,347	7,347	735	735	
Energy Star Appliance Program	1	-\$1,754,944	\$1,943,810	\$188,866	\$38,237	\$55,393	\$55,924	\$39,311	501	501	2,013	2,013	
	2	-\$4,167,069	\$5,448,782	\$1,281,713	\$245,127	\$398,678	\$379,372	\$258,537	2,901	3,401	11,698	13,711	
	3	-\$4,574,608	\$7,391,437	\$2,816,829	\$337,362	\$920,320	\$921,022	\$637,226	4,377	7,779	17,718	31,429	
	4	-\$3,097,520	\$7,329,410	\$4,231,890	\$82,205	\$1,506,383	\$1,553,256	\$1,090,046	4,893	12,672	19,804	51,233	
	5	\$5,146,146	-\$755,492	\$4,390,554	\$136,065	\$1,511,728	\$1,609,804	\$1,132,957	0	12,450	0	51,146	
	6	\$5,387,217	-\$772,493	\$4,614,724	\$127,689	\$1,502,292	\$1,725,411	\$1,259,332	0	11,164	0	50,642	
	7	\$5,537,301	-\$789,773	\$4,747,529	\$110,407	\$1,484,127	\$1,817,019	\$1,335,976	0	9,224	0	49,880	
	8	\$5,627,253	-\$807,438	\$4,819,814	\$88,378	\$1,526,669	\$1,852,489	\$1,352,278	0	7,055	0	49,029	
	9	\$5,866,942	-\$823,499	\$5,043,443	\$92,072	\$1,590,152	\$1,937,117	\$1,422,102	0	7,023	0	48,798	
	10	\$5,957,388	-\$843,964	\$5,113,423	\$93,823	\$1,618,392	\$1,968,692	\$1,432,516	0	6,839	0	47,456	
	11	\$5,946,673	-\$862,843	\$5,083,830	\$93,516	\$1,619,720	\$1,957,250	\$1,413,324	0	6,515	0	45,384	
	12	\$5,762,609	-\$847,293	\$4,915,316	\$88,003	\$1,574,219	\$1,904,447	\$1,348,646	0	5,857	0	42,148	
	13	\$5,178,529	-\$659,785	\$4,518,542	\$78,301	\$1,474,108	\$1,768,885	\$1,257,249	0	4,980	0	37,213	
	14	\$4,075,097	-\$356,029	\$3,719,068	\$60,767	\$1,236,698	\$1,354,201	\$1,067,402	0	3,693	0	30,233	
	15	\$2,269,849	\$0	\$2,269,849	\$37,832	\$767,962	\$778,834	\$685,217	0	2,197	0	17,939	
	16	\$1,252,253	\$0	\$1,252,253	\$20,897	\$429,880	\$429,365	\$372,111	0	1,159	0	9,595	
	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	238	
18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	126		
Home Performance Program	1	-\$1,023,378	\$1,061,565	\$38,187	\$2,059	\$13,644	\$8,743	\$13,741	27	27	496	496	
	2	-\$426,669	\$1,831,213	\$1,404,544	\$122,490	\$509,730	\$307,509	\$464,816	1,673	1,700	17,035	17,531	
	3	\$182,655	\$2,938,274	\$3,120,929	\$162,262	\$1,132,259	\$716,011	\$1,110,398	2,042	3,741	21,136	38,667	
	4	\$767,846	\$3,075,291	\$3,843,137	\$28,699	\$1,425,168	\$930,948	\$1,458,322	2,029	4,424	21,594	48,471	
	5	\$2,997,310	\$0	\$2,997,310	\$33,538	\$1,082,113	\$731,764	\$1,149,894	0	3,069	0	36,611	
	6	\$1,768,059	\$0	\$1,768,059	\$19,506	\$597,922	\$438,442	\$712,188	0	1,705	0	20,156	
	7	\$1,558,348	\$0	\$1,558,348	\$20,091	\$503,380	\$392,979	\$641,897	0	1,679	0	16,918	
	8	\$1,333,697	\$0	\$1,333,697	\$17,765	\$431,584	\$340,158	\$544,190	0	1,418	0	13,860	
	9	\$937,890	\$0	\$937,890	\$13,441	\$301,300	\$239,128	\$384,022	0	1,025	0	9,246	
	10	\$433,873	\$0	\$433,873	\$8,041	\$139,425	\$110,417	\$175,990	0	586	0	4,088	
	11	\$451,080	\$0	\$451,080	\$8,415	\$145,911	\$114,366	\$182,388	0	586	0	4,088	
	12	\$469,010	\$0	\$469,010	\$8,807	\$152,699	\$119,156	\$188,348	0	586	0	4,088	
	13	\$483,344	\$0	\$483,344	\$9,216	\$159,803	\$121,643	\$192,681	0	586	0	4,088	
	14	\$442,748	\$0	\$442,748	\$8,570	\$148,591	\$109,976	\$175,612	0	521	0	3,633	
	15	\$199,407	\$0	\$199,407	\$3,911	\$67,805	\$48,913	\$78,779	0	227	0	1,584	
Residential Whole Home Appliance Efficiency Program	1	-\$773,467	\$773,467	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$997,413	\$1,139,696	\$142,283	\$33,397	\$42,394	\$31,659	\$34,833	461	463	1,458	1,458	
	3	-\$2,381,439	\$3,000,536	\$619,097	\$92,886	\$197,316	\$155,482	\$173,413	1,678	2,142	5,280	6,738	
	4	-\$2,434,701	\$3,474,180	\$1,039,478	\$26,064	\$71,664	\$300,445	\$341,305	1,876	4,018	5,902	12,641	
	5	\$544,476	\$540,037	\$1,084,512	\$43,910	\$373,618	\$311,470	\$355,415	0	4,018	0	12,641	
	6	\$604,621	\$552,116	\$1,156,737	\$45,953	\$374,986	\$337,480	\$396,319	0	4,018	0	12,641	
	7	\$651,789	\$564,466	\$1,216,256	\$48,091	\$376,107	\$364,724	\$427,334	0	4,018	0	12,641	
	8	\$678,642	\$577,092	\$1,255,735	\$50,328	\$393,605	\$373,645	\$438,157	0	4,018	0	12,641	
	9	\$690,420	\$590,001	\$1,280,420	\$47,951	\$401,186	\$374,628	\$456,655	0	3,658	0	12,311	
	10	\$587,958	\$603,198	\$1,191,156	\$32,301	\$379,183	\$330,466	\$449,205	0	2,354	0	11,119	
	11	\$455,756	\$616,691	\$1,072,446	\$12,887	\$349,252	\$273,745	\$436,562	0	898	0	9,786	
	12	\$404,540	\$630,485	\$1,115,025	\$13,486	\$365,500	\$285,210	\$450,829	0	898	0	9,786	
	13	\$504,394	\$644,588	\$1,148,982	\$14,114	\$382,504	\$291,164	\$461,200	0	898	0	9,786	
	14	\$525,428	\$659,006	\$1,184,434	\$14,770	\$400,300	\$296,272	\$473,092	0	898	0	9,786	
	15	\$549,556	\$673,747	\$1,223,303	\$15,457	\$418,923	\$302,201	\$486,222	0	898	0	9,786	
	16	\$506,031	\$699,367	\$1,115,398	\$14,311	\$387,844	\$274,997	\$438,246	0	794	0	8,657	
	17	-\$328,822	\$328,822	\$0	\$0	\$0	\$0	\$0	0	419	0	4,569	

Table 7B: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Residential Low-Income	TRC Benefits By Program Per Year (\$000)											
	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions		MWh Saved	
					Annual	Trans/Dist	Annual	Off Peak	Annual	Lifetime	Annual	Lifetime
Low Income Home Performance Check-Up & Appliance Replacement Program	1	-\$197,928	\$217,220	\$19,292	\$4,427	\$5,614	\$3,598	\$5,654	58	58	204	204
	2	-\$122,638	\$367,116	\$244,479	\$53,460	\$75,947	\$45,817	\$69,255	684	742	2,408	2,612
	3	-\$23,970	\$341,564	\$317,594	\$44,036	\$104,689	\$66,202	\$102,667	274	1,015	963	3,575
	4	\$27,797	\$329,948	\$357,745	\$8,184	\$130,604	\$85,313	\$133,643	246	1,262	867	4,442
	5	\$373,377	\$0	\$373,377	\$13,788	\$131,291	\$88,784	\$139,515	0	1,262	0	4,442
	6	\$399,779	\$0	\$399,779	\$14,429	\$131,771	\$96,625	\$156,954	0	1,262	0	4,442
	7	\$399,732	\$0	\$399,732	\$14,407	\$126,094	\$98,439	\$160,792	0	1,204	0	4,238
	8	\$180,255	\$0	\$180,255	\$6,511	\$56,983	\$44,912	\$71,850	0	520	0	1,830
	9	\$89,897	\$0	\$89,897	\$3,227	\$28,248	\$22,419	\$36,003	0	246	0	867
Low Income Joint Utility Usage Management Program	1	-\$403,652	\$451,205	\$47,553	\$7,456	\$15,143	\$9,704	\$15,250	98	98	550	550
	2	-\$1,451,455	\$1,784,172	\$332,717	\$49,494	\$112,606	\$67,933	\$102,684	589	687	3,322	3,873
	3	-\$1,226,149	\$1,833,713	\$607,564	\$55,491	\$211,274	\$133,604	\$207,195	593	1,279	3,342	7,215
	4	-\$1,816,876	\$2,661,429	\$844,553	\$12,169	\$310,999	\$203,151	\$318,234	596	1,876	3,362	10,577
	5	\$876,766	\$0	\$876,766	\$20,500	\$312,634	\$211,415	\$332,217	0	1,876	0	10,577
	6	\$939,062	\$0	\$939,062	\$21,454	\$313,779	\$230,086	\$373,743	0	1,876	0	10,577
	7	\$984,181	\$0	\$984,181	\$22,452	\$314,717	\$245,693	\$401,319	0	1,876	0	10,577
	8	\$1,027,735	\$0	\$1,027,735	\$23,497	\$329,359	\$259,588	\$415,292	0	1,876	0	10,577
	9	\$1,082,143	\$0	\$1,082,143	\$24,590	\$344,681	\$273,558	\$439,315	0	1,876	0	10,577
	10	\$1,068,768	\$0	\$1,068,768	\$24,395	\$341,946	\$270,803	\$431,624	0	1,778	0	10,027
	11	\$743,004	\$0	\$743,004	\$17,071	\$239,282	\$187,551	\$299,101	0	1,189	0	6,705
	12	\$387,435	\$0	\$387,435	\$8,959	\$125,582	\$97,995	\$154,900	0	596	0	3,362

Table 7C: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Commercial/Industrial Small	TRC Benefits By Program Per Year (\$000)													
	Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity Annual		Energy Annual		Load Reductions		MWh Saved		
						Generation	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime	
Commercial HVAC Efficiency Program	1		-\$1,139.855	\$1,139.855	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2		-\$338.518	\$371.654	\$33.136	\$17,932	\$4,156	\$6,233	\$4,815	249	249	238	238	
	3		-\$766.420	\$984.477	\$218.056	\$88,038	\$34,075	\$54,306	\$41,637	1,782	2,031	1,703	1,941	
	4		-\$712.809	\$990.434	\$277.625	\$24,862	\$64,678	\$105,176	\$82,909	1,803	3,834	1,724	3,665	
	5		\$301.500	\$0	\$301,500	\$41,885	\$65,053	\$108,908	\$85,654	0	3,834	0	3,665	
	6		\$321.464	\$0	\$321,464	\$43,834	\$65,414	\$117,508	\$94,708	0	3,834	0	3,665	
	7		\$340.334	\$0	\$340,334	\$45,873	\$65,796	\$127,580	\$101,085	0	3,834	0	3,665	
	8		\$346.790	\$0	\$346,790	\$48,007	\$68,857	\$128,952	\$100,974	0	3,834	0	3,665	
	9		\$339.356	\$0	\$339,356	\$46,978	\$67,381	\$125,362	\$99,634	0	3,585	0	3,427	
	10		\$178.056	\$0	\$178,056	\$24,729	\$35,468	\$65,395	\$52,464	0	1,803	0	1,724	
Commercial Products Efficiency Program	1		-\$1,924.253	\$2,376.307	\$452.054	\$89,808	\$99,195	\$102,323	\$160,727	1,176	1,176	5,973	5,973	
	2		-\$7,527.969	\$13,314.815	\$5,786.846	\$1,036,548	\$1,234,947	\$1,209,280	\$1,827,952	13,213	14,390	64,740	70,713	
	3		-\$2,654.210	\$19,736.745	\$17,082.535	\$1,443,910	\$2,887,340	\$2,977,746	\$4,614,028	18,918	33,308	93,777	164,490	
	4		\$8,418.018	\$20,951,007	\$29,369,025	\$334,541	\$4,532,543	\$4,827,848	\$7,560,340	18,283	51,591	92,347	256,837	
	5		\$37,129.584	\$0	\$37,129,584	\$542,396	\$4,427,146	\$4,876,534	\$7,657,147	0	49,650	0	249,419	
	6		\$38,238.897	\$0	\$38,238,897	\$540,684	\$4,276,211	\$5,090,955	\$8,265,676	0	47,293	0	239,586	
	7		\$39,534.927	\$0	\$39,534,927	\$558,608	\$4,273,005	\$5,390,087	\$8,799,027	0	46,689	0	238,018	
	8		\$40,793.401	\$0	\$40,793,401	\$583,414	\$4,446,689	\$5,692,284	\$9,097,946	0	46,594	0	236,681	
	9		\$42,230.093	\$0	\$42,230,093	\$609,429	\$4,629,623	\$5,968,958	\$9,579,882	0	46,508	0	235,464	
	10		\$43,571.344	\$0	\$43,571,344	\$637,781	\$4,845,006	\$6,233,990	\$9,932,739	0	46,508	0	235,464	
	11		\$44,905.826	\$0	\$44,905,826	\$667,453	\$5,070,410	\$6,459,350	\$10,296,431	0	46,508	0	235,464	
	12		\$46,286.231	\$0	\$46,286,231	\$698,505	\$5,306,300	\$6,731,747	\$10,636,174	0	46,508	0	235,464	
	13		\$47,475.625	\$0	\$47,475,625	\$731,001	\$5,553,164	\$6,877,501	\$10,887,917	0	46,508	0	235,464	
	14		\$48,691.215	\$0	\$48,691,215	\$765,009	\$5,811,513	\$6,998,095	\$11,166,554	0	46,508	0	235,464	
	15		\$49,996.359	\$0	\$49,996,359	\$800,600	\$6,081,881	\$7,138,536	\$11,489,575	0	46,508	0	235,464	
	16		\$50,611.415	\$0	\$50,611,415	\$816,655	\$6,203,376	\$7,157,325	\$11,400,588	0	45,332	0	229,491	
	17		\$24,927.165	\$0	\$24,927,165	\$0	\$0	\$0	\$0	0	34,068	0	172,282	
	18		\$18,976.068	\$0	\$18,976,068	\$0	\$0	\$0	\$0	0	17,601	0	88,850	
	19		\$9,870.532	\$0	\$9,870,532	\$0	\$0	\$0	\$0	0	0	0	0	
Custom Technology Program	1		-\$1,040.686	\$1,040.686	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2		-\$135.961	\$561.310	\$425.349	\$73,344	\$101,753	\$99,638	\$150,614	1,018	1,018	5,826	5,826	
	3		\$281.986	\$658,707	\$940,693	\$99,975	\$231,646	\$238,899	\$370,174	1,288	2,306	7,370	13,197	
	4		\$670.368	\$663,864	\$1,334,232	\$22,561	\$351,356	\$374,248	\$586,066	1,173	3,479	6,713	19,910	
	5		\$1,391.892	\$0	\$1,391,892	\$38,009	\$353,393	\$389,265	\$611,225	0	3,479	0	19,910	
	6		\$1,505.070	\$0	\$1,505,070	\$39,777	\$355,354	\$423,059	\$686,879	0	3,479	0	19,910	
	7		\$1,585.944	\$0	\$1,585,944	\$41,628	\$357,428	\$450,869	\$736,020	0	3,479	0	19,910	
	8		\$1,661.777	\$0	\$1,661,777	\$43,564	\$374,056	\$478,836	\$765,321	0	3,479	0	19,910	
	9		\$1,751.784	\$0	\$1,751,784	\$45,591	\$391,458	\$504,706	\$810,028	0	3,479	0	19,910	
	10		\$1,824.362	\$0	\$1,824,362	\$47,712	\$409,670	\$527,116	\$839,864	0	3,479	0	19,910	
	11		\$1,895.448	\$0	\$1,895,448	\$49,932	\$428,729	\$546,171	\$870,616	0	3,479	0	19,910	
	12		\$1,969.476	\$0	\$1,969,476	\$52,255	\$448,675	\$569,204	\$899,343	0	3,479	0	19,910	
	13		\$2,026.391	\$0	\$2,026,391	\$54,686	\$469,548	\$581,528	\$920,629	0	3,479	0	19,910	
	14		\$2,084.537	\$0	\$2,084,537	\$57,230	\$491,393	\$591,725	\$944,189	0	3,479	0	19,910	
	15		\$2,149.249	\$0	\$2,149,249	\$59,893	\$514,254	\$603,600	\$971,502	0	3,479	0	19,910	
	16		\$2,210.864	\$0	\$2,210,864	\$62,679	\$538,179	\$620,939	\$989,067	0	3,479	0	19,910	
	17		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	2,461	0	14,083	
	18		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	1,173	0	6,713	
Time of Use with Critical Peak Pricing Program	1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2		-\$197.828	\$197,828	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3		\$161,399	\$208,184	\$369,583	\$193,643	\$43,306	\$63,202	\$69,430	4,467	4,467	2,467	2,467	
	4		\$138,614	\$212,322	\$350,936	\$48,276	\$72,565	\$108,522	\$121,573	7,445	7,445	4,112	4,112	

Table 7D: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Commercial/Industrial Large		TRC Benefits By Program Per Year (\$000)											
Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions in		MWh Saved		
					Generation	Trans/Dist	Annual		Annual	Lifetime	Annual	Lifetime	
							Peak	Off Peak					
Commercial & Industrial Custom Applications Program	1	-\$1,036,972	\$1,036,972	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2	\$1,462,063	\$411,516	\$1,873,578	\$406,545	\$267,210	\$477,490	\$722,334	5,822	5,822	29,635	29,635	
	3	\$3,129,195	\$468,031	\$3,597,226	\$489,399	\$533,045	\$1,008,389	\$1,566,192	5,823	11,645	29,678	59,313	
	4	\$3,668,424	\$464,401	\$4,132,825	\$91,539	\$676,649	\$1,309,380	\$2,055,257	2,916	14,561	14,947	74,261	
	5	\$4,346,110	\$0	\$4,346,110	\$154,215	\$688,462	\$1,361,236	\$2,142,198	0	14,561	0	74,261	
	6	\$4,735,662	\$0	\$4,735,662	\$161,389	\$695,673	\$1,476,873	\$2,401,726	0	14,561	0	74,261	
	7	\$5,012,019	\$0	\$5,012,019	\$168,898	\$702,887	\$1,570,978	\$2,569,256	0	14,561	0	74,261	
	8	\$5,282,583	\$0	\$5,282,583	\$176,755	\$735,587	\$1,679,681	\$2,690,559	0	14,561	0	74,261	
	9	\$5,562,568	\$0	\$5,562,568	\$184,978	\$769,809	\$1,766,334	\$2,841,447	0	14,561	0	74,261	
	10	\$5,790,228	\$0	\$5,790,228	\$193,584	\$805,623	\$1,844,918	\$2,946,104	0	14,561	0	74,261	
	11	\$6,012,292	\$0	\$6,012,292	\$202,590	\$843,103	\$1,912,316	\$3,054,284	0	14,561	0	74,261	
	12	\$6,243,885	\$0	\$6,243,885	\$212,015	\$882,326	\$1,993,640	\$3,155,904	0	14,561	0	74,261	
	13	\$6,413,203	\$0	\$6,413,203	\$221,879	\$923,374	\$2,057,380	\$3,230,569	0	14,561	0	74,261	
	14	\$6,583,160	\$0	\$6,583,160	\$232,201	\$966,532	\$2,071,871	\$3,312,755	0	14,561	0	74,261	
	15	\$6,777,328	\$0	\$6,777,328	\$243,004	\$1,011,289	\$2,113,422	\$3,409,613	0	14,561	0	74,261	
	16	\$6,959,178	\$0	\$6,959,178	\$254,309	\$1,058,337	\$2,175,095	\$3,471,437	0	14,561	0	74,261	
	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	8,740	0	44,624	
	18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	2,916	0	14,947	
Customer Load Response Program	1	-\$428,112	\$428,112	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$335,515	\$335,515	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3	\$452,001	\$552,813	\$1,004,814	\$82,554	\$9,436	\$12,824	\$0	21,000	21,000	1,050	1,050	
	4	-\$769,580	\$1,150,114	\$380,534	\$132,014	\$19,135	\$229,405	\$0	21,000	21,000	2,100	2,100	
Customer Resources for Demand Response	1	-\$428,112	\$428,112	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$58,068	\$194,534	\$136,466	\$0	\$11,271	\$125,195	\$0	0	0	1,250	1,250	
	3	\$1,231,363	\$682,570	\$1,913,933	\$1,681,055	\$17,974	\$24,904	\$0	40,000	40,000	2,000	2,000	
	4	-\$1,256,363	\$1,981,227	\$724,864	\$251,455	\$36,447	\$436,961	\$0	40,000	40,000	4,000	4,000	
Distributed Generation Program	1	-\$86,863	\$86,863	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$54,337	\$54,337	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3	\$43,228	\$288,889	\$332,118	\$294,185	\$3,145	\$34,788	\$0	7,000	7,000	350	350	
	4	-\$369,216	\$490,332	\$121,116	\$44,005	\$6,378	\$70,735	\$0	7,000	7,000	700	700	

Table 7E: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Governmental/Non-Profit		TRC Benefits By Program Per Year (\$000)										
Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions		MWh Saved	
					Generation	Trans/Dist	Annual		Annual	Lifetime	Annual	Lifetime
							Peak	Off Peak				
Governmental/Non-Profit Lighting Program	1	-\$581,829	\$756,806	\$174,977	\$41,863	\$36,451	\$37,601	\$59,062	548	548	2,195	2,195
	2	-\$194,160	\$3,934,442	\$3,740,282	\$793,997	\$812,015	\$795,138	\$1,201,934	10,474	11,022	44,301	46,496
	3	\$5,539,991	\$2,289,703	\$7,829,694	\$553,488	\$980,789	\$1,011,499	\$1,567,321	1,745	12,768	9,379	55,875
	4	\$7,772,162	\$1,403,575	\$9,175,737	\$87,449	\$1,042,802	\$1,110,742	\$1,739,406	1,132	13,486	4,583	59,091
	5	\$8,053,020	\$0	\$8,053,020	\$65,077	\$606,805	\$668,400	\$1,049,523	0	5,957	0	34,186
	6	\$8,374,023	\$0	\$8,374,023	\$68,104	\$610,172	\$726,427	\$1,179,427	0	5,957	0	34,186
	7	\$8,642,392	\$0	\$8,642,392	\$71,273	\$613,732	\$774,179	\$1,263,805	0	5,957	0	34,186
	8	\$8,905,001	\$0	\$8,905,001	\$74,589	\$642,285	\$822,200	\$1,314,118	0	5,957	0	34,186
	9	\$9,194,909	\$0	\$9,194,909	\$78,059	\$672,166	\$866,621	\$1,390,884	0	5,957	0	34,186
	10	\$9,457,918	\$0	\$9,457,918	\$81,690	\$703,437	\$905,101	\$1,442,115	0	5,957	0	34,186
	11	\$9,721,460	\$0	\$9,721,460	\$85,491	\$736,163	\$937,820	\$1,494,918	0	5,957	0	34,186
	12	\$9,993,219	\$0	\$9,993,219	\$89,468	\$770,411	\$977,369	\$1,544,245	0	5,957	0	34,186
	13	\$10,238,828	\$0	\$10,238,828	\$93,630	\$806,253	\$998,531	\$1,580,795	0	5,957	0	34,186
	14	\$10,489,858	\$0	\$10,489,858	\$97,986	\$843,762	\$1,016,040	\$1,621,250	0	5,957	0	34,186
	15	\$10,755,544	\$0	\$10,755,544	\$102,543	\$883,016	\$1,036,430	\$1,668,149	0	5,957	0	34,186
	16	\$10,927,633	\$0	\$10,927,633	\$104,884	\$901,724	\$1,040,390	\$1,657,191	0	5,822	0	33,359
	17	\$7,193,835	\$0	\$7,193,835	\$0	\$0	\$0	\$0	0	2,877	0	13,962
	18	\$2,371,090	\$0	\$2,371,090	\$0	\$0	\$0	\$0	0	1,132	0	4,583
	19	\$479,331	\$0	\$479,331	\$0	\$0	\$0	\$0	0	0	0	0

E. Calculation methods and assumptions. Describe methods used for estimating all program costs, including administrative, marketing, and incentives costs; include key assumptions. Describe assumptions and present all calculations, data and results in a consistent format. Reference Appendix D.

Allegheny estimated program costs as follows:

- The Company issued RFPs, quotes and/or RFIs for various services and based its estimates off of the RFP, quote and/or RFI results. RFP, quote and/or RFI results were utilized to estimate costs for rebate administration, appliance recycling, energy efficiency kits, home energy audits, commercial and industrial energy audits, measurement and verification of program results and the demand response study. Key assumptions include program business requirements and participation levels, as well as the results of the RFP, quote and/or RFI received for the various functions and services.
- The Company calculated costs based on detailed business or IT requirements, or specific estimates associated with the function or service, for calculating the cost for program administration and management, database and web portal development, engineering services, marketing and training. Estimates based on similar projects or rates were utilized where applicable. Key assumptions includes the specific business or IT requirements of the Plan or Program upon which costs were calculated, the estimate for a specific function or service required of a program, and the marketing plan. Participation levels, to the extent that this impacts the cost, were included in the business or IT requirements or specific estimates in arriving at the final cost.
- The Company calculated costs based on expenditures associated with the specific function or service incurred YTD, and an estimate of the time commitment required to perform or complete the function or service going forward. Program design and development expenditures were calculated in this fashion. Key assumptions include the required remaining or on-going time commitment for the function or service.

The Company allocated program costs to customer sectors, programs and/or measures (where applicable) on a shared or participation level basis, and to specific programs and/or measures when such cost was specific to the program or measure. Energy usage by customer sector was also utilized to allocate certain costs to customer sectors.

See Section 3.2 to 3.5 for program cost information. See Tables 6A and 6B as presented in Section 10.D. for the program specific and common costs for each program and respective customer sector. The following table summarizes the cost detail elements in which the Company calculated program costs:

Program Cost Elements	
Element	Description
Utility Administrative Costs	Includes internal utility costs associated with program design, development, management, training, support, and quality assurance. Costs captured in this activity include: employee labor, benefits, expenses, materials, and supplies. Also includes start-up costs including: database development, web portal and IT requirements.
Marketing Costs	Includes costs associated with marketing, advertising, trade shows and events, brochures, bill inserts and collateral materials, toll free numbers, and web site. Costs captured in this activity include: labor, benefits, expenses, consultants, contractors, materials, and supplies.
Outside Services	Includes the cost of contractors and consultants used in support of program design, development, support, and quality assurance. Captures all of the utility's external costs associated with program administration. Examples include recycling vendors, program administrators, and development of educational materials, rebate administration, engineering services and other third party services.
Evaluation Costs	Includes costs associated with measurement and evaluation. Costs captured in this activity include: labor, benefits, expenses, consultants, contractors, tracking systems, materials, and supplies.
Incentives	All rebate dollars paid directly to customers as well as "indirect" payments to customers such as discounted prices and giveaways. Also includes utility costs not paid by the customer that are attributable to providing energy efficiency services to customers (e.g. technical audits, employee and contract labor for installing efficiency measures, expenses, materials, and supplies).

F. Other**F.1. List of Acronyms and Abbreviations**

ACEEE	American Council for an Energy-Efficient Economy
AIDA	Attention, Interest, Desire, Action
ASD	adjustable speed drive
BAS	Business Account Specialists
BPI	Building Performance Institute
CAC	central air conditioning
CEE	Consortium of Energy Efficiency
CFL	compact fluorescent lighting
CIS	customer information system
Commission	Pennsylvania Public Utility Commission
CPR	critical peak rebate
DCED	Department of Community and Economic Development
DOE	Department of Energy
DR	demand response
EE&C	energy efficiency and conservation
EDC	electric distribution company
EISA	Energy Independence and Security Act
EM&V	evaluation, measurement and verification
EPA	Environmental Protection Agency
ESCO	Energy Service Company
FTE	full time equivalents
HID	high intensity discharge
HP	heat pump
HPO	hourly pricing option
HSPF	heating season performance factor
HVAC	Heating, ventilating and air conditioning
ILR	interruptible load response
JUUMP	Joint Utility Usage Management Program
kW	kilowatts
KWh	kilowatt-hours
LDDAP	Local Development District Associations of Pennsylvania
LED	light emitting diode
LIURP	Low-Income Usage Reduction Program

MW	megawatts
MWh	megawatt-hours
NEEP	Northeast Efficiency Partnership
PCT	programmable controlled thermostat
PJM	PJM Interconnection, L.L.C.
PUC	Pennsylvania Public Utility Commission
RFP	request for purchase
RPM	Reliability Pricing Model
SEER	Seasonal Energy Efficiency Ratio
SMIP	Smart Meter Procurement and Installation Plan
TOU	time of use rate
TCP	Technical Consumer Products
TRC	total resource cost
TRM	Technical Reference Manual

F.2. Sample of Federal and State Incentives

Residential		
Source	Eligible Components/Technologies	Link
Federal Tax Credits for Energy Efficiency	<ul style="list-style-type: none"> • Windows and Doors • Insulation • Roofs (Metal and Asphalt) • HVAC • Water Heaters (non-solar) • Biomass Stoves • Geothermal Heat Pumps • Solar Panels • Solar Water Heaters • Small Wind Energy Systems • Fuel Cells 	<p>Energy Star</p> <p>http://www.energystar.gov/index.cfm?c=products.pr_tax_credits</p> <p>Tax Incentives Assistance Project</p> <p>http://energytaxincentives.org/uploaded_files/residentialflyer.pdf</p>
Keystone HELP Energy Efficiency Loan & Rebate Program	<ul style="list-style-type: none"> • Equipment Insulation • Furnaces • Boilers • Heat pumps • Air conditioners • Programmable Thermostats • Caulking/Weather-stripping • Duct/Air sealing • Building Insulation • Windows • Doors • Water Heaters • Ceiling Fans • Ventilating Fans • Biomass • Geothermal Heat Pumps • "Alternative Energy Heating and Cooling Equipment Systems" (Excluding Solar) 	<p>http://www.keystonehelp.com</p>
Special Session H.B.1	<ul style="list-style-type: none"> • Solar Water Heat • Solar Thermal Process Heat • Photovoltaic • Wind • Geothermal Electric • Geothermal Heat Pumps • Solar Space Heat • Biomass • Bio-gas • Daylighting • Small Hydroelectric • Solar Thermal Electric • Fuel Cells • Municipal Solid Waste 	

Commercial, Industrial, Nonprofit, Schools, Local Government, Tribal Government		
Source	Eligible Components/Technologies	Link
Federal Tax Deductions for Commercial Buildings:	<ul style="list-style-type: none"> • the building envelope, lighting, or heating and cooling systems. 	http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#s8
Special Session H.B.1	<ul style="list-style-type: none"> • Solar Water Heat • Solar Thermal Process Heat • Photovoltaic • Wind • Geothermal Electric • Geothermal Heat Pumps • Solar Space Heat • Biomass • Bio-gas • Daylighting • Small Hydroelectric • Solar Thermal Electric • Fuel Cells • Municipal Solid Waste 	

F.3. Table 2 (Program Level) Energy & Demand Reductions by Program

Table 2 (Program Level): Summary of Portfolio Energy and Demand Savings
 o Program Year is June 1 – May 31

Reductions kWh Saved for Peak Load Reductions			Program Year 2009		Program Year 2010		Program Year 2011		Program Year 2012		
			MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved	
Baseline ¹			20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000	
Residential Sector (exclusive of Low- Income) - Cumulative Projected Portfolio Savings	CFL Rewards Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-	-	
		Existing Metering	1,508	82	23,182	1,260	54,657	2,971	87,958	4,781	
	CFL Rewards Program Total			1,508	82	23,182	1,260	54,657	2,971	87,958	4,781
	Critical Peak Rebate Rate Offering	Smart Meter Infrastructure Enabled	-	-	-	-	487	4,869	735	7,347	
		Existing Metering	-	-	-	-	-	-	-	-	
	Critical Peak Rebate Rate Offering Total			-	-	-	487	4,869	735	7,347	
	Energy Star Appliance Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-	-	
		Existing Metering	2,013	501	13,711	3,401	31,429	7,779	51,233	12,672	
	Energy Star Appliance Program Total			2,013	501	13,711	3,401	31,429	7,779	51,233	12,672
	Home Performance Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-	-	
		Existing Metering	496	27	17,531	1,700	38,667	3,741	48,471	4,424	
	Home Performance Program Total			496	27	17,531	1,700	38,667	3,741	48,471	4,424
	Residential Whole Home Appliance Efficiency Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-	-	
		Existing Metering	-	-	1,458	463	6,738	2,142	12,641	4,018	
	Residential Whole Home Appliance Efficiency Program			-	-	1,458	463	6,738	2,142	12,641	4,018
	Smart Meter Infrastructure Enabled Total			-	-	-	-	487	4,869	735	7,347
	Existing Metering Total			4,018	610	55,882	6,825	131,492	16,633	200,303	25,895
	Residential Sector (exclusive of Low- Income) - Cumulative Projected Portfolio Savings Total			4,018	610	55,882	6,825	131,978	21,502	201,038	33,242

Commercial/Industrial Large Sector - Cumulative Projected Portfolio Savings	Commercial & Industrial Custom Applications Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-	-	-
		Existing Metering	-	-	29,635	5,822	59,313	11,645	74,261	14,561	
	Commercial & Industrial Custom Applications Program Total		-	-	29,635	5,822	59,313	11,645	74,261	14,561	
	Customer Load Response Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-	-	-
		Existing Metering	-	-	-	-	1,050	21,000	2,100	21,000	
	Customer Load Response Program Total		-	-	-	-	1,050	21,000	2,100	21,000	
	Customer Resources for Demand Response	Smart Meter Infrastructure Enabled	-	-	-	-	800	16,000	1,600	16,000	
		Existing Metering	-	-	-	-	1,200	24,000	2,400	24,000	
	Customer Resources for Demand Response Total		-	-	-	-	2,000	40,000	4,000	40,000	
	Distributed Generation Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-	-	
Existing Metering		-	-	-	-	350	7,000	700	7,000		
Distributed Generation Program Total		-	-	-	-	350	7,000	700	7,000		
Smart Meter Infrastructure Enabled Total		-	-	-	-	800	16,000	1,600	16,000		
Existing Metering Total		-	-	30,885	5,822	61,913	63,645	79,461	66,561		
Commercial Industrial Large Sector - Cumulative Projected Portfolio Savings Total		-	-	30,885	5,822	62,713	79,645	81,061	82,561		
Government Non-Profit Sector - Cumulative Projected Portfolio Savings	Governmental/Non-Profit Lighting Program	Smart Meter Infrastructure Enabled	-	-	-	-	-	-	-		
		Existing Metering	2,195	548	46,496	11,022	55,875	12,768	59,091	13,486	
	Governmental/Non-Profit Lighting Program Total		2,195	548	46,496	11,022	55,875	12,768	59,091	13,486	
	Smart Meter Infrastructure Enabled Total		-	-	-	-	-	-	-	-	
Existing Metering Total		2,195	548	46,496	11,022	55,875	12,768	59,091	13,486		
Governmental Sector - Cumulative Projected Portfolio Savings Total		2,195	548	46,496	11,022	55,875	12,768	59,091	13,486		

EE&C Plan Total - Cumulative Projected	Infrastructure Enabled Total	-	-	-	-	3,384	24,666	5,830	29,676
	Existing Metering Total	12,940	2,490	216,525	40,754	440,068	133,655	634,992	169,100
	TOTAL	12,940	2,490	216,525	40,754	443,452	158,321	640,732	198,776
Percent Reduction From Baseline		0.1%	0.1%	1.0%	1.2%	2.1%	4.5%	3.1%	5.7%
Commission Identified				209,387				628,160	157,320
Percent Savings Due to Portfolio Above or Below Commission				103.4%				102.0%	100.6%

F.4. Demand Response Meetings and Participating Stakeholders

Interested Stakeholders and Participants				
Demand Response Working Group				
Name	Company	11/12/2009	11/18/2009	3/12/2010
		9AM to 3PM	9AM to 3PM	9AM to 3PM
Aaron Breidenbaugh	EnerNOC, Inc.	x	x	x
Andrew Dorn	Demand Response Partners	x		
Bob Korandovich	Insight			
Brett Feldman	Constellation			
C.J. Zwick	MWN on Behalf of WPPIL	x	x	
Carolyn Pengidore	Clear Choice Energy	x		x
Chris Getty	AE Resources	x	x	
Christopher Ashley	EnerNOC, Inc.	x		
Curtis Shaw	JRH	x		
David Fein	Constellation			
Divesh Gupta	Constellation			
Edward V Johnstonbaugh	Penn State Coop Extension	x		x
Eric Tate	JRH	x		
Gene Ameduri	Enerlogics		x	
George Karayannis	Lockhead Martin	x		x
Jack Williams	Augusta Systems	x		
Jamie Colecchi	Southwestern PA Commission	x	x	
Jennifer Black	Direct Energy	x		
Joe Bugica	Energy Connect, Inc			x
John Choma	Enerlogics	x	x	x
Joseph Ferguson	Ferguson HVAC	x	x	x
Kevin Abbey	PennTAP - Penn State	x		
Mark Alterio	Cooper Industries		x	x
Mike Borden	Converge, Inc.	x	x	
Noel King	EnerNOC, Inc.	x		
Pat Esposito	Augusta Systems			
Paul Tyno	Energy Curtailment Specialist	x	x	
Robert McGrath	Honeywell	x		x
Robert Jepson	Lockhead Martin	x		
Roger Price	PennTAP - Penn State			
Steve Moritz	All Facilities Energy Group	x		
Tom Rutigliano	Cpower	x	x	x
Tony Reynolds	Good Cents	x	x	
Dan Austin	Comverge			
Gene Imel	Powersecure			
Dave Carswell	Ziphany			x
Chuck Lanager	Keytex Energy			
Jim Mancini	Comverge			x
Michael Chase	ECS			x
Scott Ameduri	Enerlogics			x

F.5. Demand Response Program Summary Matrix

Demand Response Program Summary Matrix			
PROGRAM DETAILS	Customer Load Response Program (CLR)	Customer Resources Demand Response Program (CRDR)	Distributed Generation (DG)
Program Description	Provide load management services to customers by providing education and assistance with transition to market prices, PJM energy markets, and contracting with customers for callable load reductions. The customer load will also be registered in PJM markets and will participate in the ILR/ELR programs.	<ol style="list-style-type: none"> Contract with 3rd party PJM CSP(s) who will provide all services to register, recruit, dispatch customer load resources up to 100 hours to contribute to Allegheny's 100-hour Act 129 load reduction goal. The customer load must also be registered in PJM Markets and participate in the ILR/ELR programs. In January of each Program year, Allegheny will conduct a yearly nomination process for CSP(s) to nominate load to the program. All nominations will be evaluated based on the CSP(s) nominated load in MWhrs, and price per MWhr. CSP(s) will have to deliver the nominated load to meet the 100-hour criteria and the CSP(s) responsibility will be to appropriate. 	Contract with a 3rd party Distributed Generation Manager to dispatch customer generators up to 100 hours to contribute to Allegheny's 100-hour Act 129 load reduction goal. The Distributed Generation Manager will contract directly with the customer to provide operation and maintenance services and the customer will pay the Distributed Generation Manager directly for these services. The customer load must also be registered in PJM Markets and participate in the ILR/ELR programs. The customer can choose any PJM CSP for this service.
Eligible Customers	Small and large commercial/industrial, government and non-profit customers with demand greater than 300 kW, and less than 300 kW in conjunction with deployment of smart meters.	Small and large commercial/industrial, government and non-profit customers with demand greater than 300 kW, and less than 300 kW in conjunction with deployment of smart meters. CSP(s) may enroll customers with a demand less than 300 kW where a measurement and verification protocol is approved by Allegheny Power in advance of program enrollment.	Small and large commercial/industrial, government and non-profit customers with demand greater than 300 kW, and less than 300 kW in conjunction with deployment of smart meters.
Demand Savings	21 MW For Act 129 - Delivery is 2100 MWhrs	40 MW For Act 129 - Delivery is 4000 MWhrs	7 MW for Act 129 - 700 MWhrs
FTE's Required	3.0 FTE's - Consisting of: 0.75 FTE - Program Manager 0.75 FTE - Technician 1.5 FTE - Account Manager/Business Account Specialist * All cost associated with Allegheny providing CSP services for the PJM ILR/ELR programs will be accounted for outside the Act 129 Demand Response programs.	1.5 FTE - Consisting of: 0.50 FTE - Program Manager 0.25 FTE - Technician 0.75 FTE - Account Manager/Business Account Specialist	0.50 FTE - Consisting of: 0.25 FTE - Program Manager 0.25 FTE - Account Manager/Business Account Specialist
Customer Incentives	The customer incentive rate will be on a \$\$ per MWhr basis and will be based on the weighted average of contracted nominations with PJM CSP(s) under the CRDR program, reduced by an Allegheny Power administration adjustment to account for the differences in administration costs between the CLR program and the CRDR programs.	<ol style="list-style-type: none"> Customers will receive incentives for participating in this program directly from the PJM CSP(s) based on the contract between the CSP and the customer. Allegheny will pay the PJM CSP(s) for load curtailment based on the actual measured load reduction from the customer baseline for each hour of the load curtailment event. CSP(s) will be subject to an under performance penalty for hourly shortfalls relative to their contracted load reduction and will be based on a MWhr pricing equivalent of 150%. For example: If a CSP nominates 1000 MWhrs at \$400/MWhr into the program and only delivers 950, the penalty will be 50 MWhrs x \$400/MWhr x 1.5. 	The customer incentive rate will be on a \$\$ per MWhr basis and will be based on the weighted average of contracted nominations with PJM CSP(s) under the CRDR program. The customer pays all operating and maintenance costs according to their contract with the Distributed Generation Manager.
Data Services	Prior to implementation of Smart Metering Infrastructure, Allegheny will provide access to our Interval metering data via our Energy Data Services to any customer or CSP whose load is participating in an Allegheny Act 129 Demand Response Program. Interval data can be provided on the EDS Monthly or EDS Daily format in an Excel Spreadsheet. For EDS daily data, the data file is available the next day.		
Marketing Strategy	<ol style="list-style-type: none"> Assigned accounts: Account Managers handle approximately 100 of the top energy users that would be eligible for these programs and will contact the assigned customers to educate them about the Customer Load Response Program, Customer Load Resources Program and Distributed Generation programs. Account Managers will participate and assist in joint meetings at the request of PJM CSPs or customers. Allegheny has also identified approximately 80 customers with standby generation that could participate in the Distributed Generation program and will directly market to these customer using direct mail or contact from an Account Manager. Non assigned accounts: These accounts are managed by Business Account Specialist in Allegheny's call center. Direct mail will be sent to these customers with details for all of the Demand Response programs. All marketing brochures will equally promote all demand response programs to encourage customer participation and provide more program details, and will inform customers where they can find a list of all PJM CSP's for participation in the PJM programs. To assist CSPs with attracting customers, Allegheny will provide a list of CSP information on our Act 129 Website and will provide a list of eligible customers to the PJM CSPs. Allegheny will host a Demand Response seminar and invite customers, CSPs and stakeholder to participate. The seminar will focus on providing information on the CLR, CRDR and DG programs. 		

F.6. Demand Response, Summary of Customer Incentives

Program	Incentive Source	2010	2011	2012	Total	Estimated Incentive Rates	Formula
Customer Load Response Program	PJM LMP	\$ -	\$ 183,750	\$ 367,500	\$ 551,250	Estimated Range: \$125 - \$200 per MWhr	Delivery hours x incentive rate x load reduction
	Allegheny Power	\$ -	\$ 162,750	\$ 745,500	\$ 908,250	Estimated Range: \$221 to \$371 per MWhr \$346 to \$571 per MWhr incentive rate (weighted average of nomination rate** less administration adjustment, includes PJM LMP)	
	Gross Customer Incentive (Total)	\$ -	\$ 346,500	\$ 1,113,000	\$ 1,459,500		
Customer Resources Demand Response Program	PJM LMP	\$ -	\$ 350,000	\$ 700,000	\$ 1,050,000	Estimated Range: \$125 - \$200 per MWhr	Delivery hours x incentive rate x load reduction
	Allegheny Power	\$ -	\$ 450,000	\$ 1,700,000	\$ 2,150,000	Estimated Range: \$275 to \$425 per MWhr	
	Gross CSP Payment (Total)	\$ -	\$ 800,000	\$ 2,400,000	\$ 3,200,000	\$400 to \$625 MWhr incentive rate - NOMINATION RATE FROM CSPs** (includes PJM LMP)	
Distributed Generation Program	PJM LMP	\$ -	\$ 61,250	\$ 122,500	\$ 183,750	Estimated Range: \$125 - \$200 per MWhr	Delivery hours x incentive rate x load reduction
	Allegheny Power	\$ -	\$ 124,250	\$ 248,500	\$ 372,750	Estimated Range: \$275 to \$425 per MWhr	
	Gross Customer Incentive (Total)	\$ -	\$ 185,500	\$ 371,000	\$ 556,500	\$400 to \$625 per MWhr incentive rate (weighted average of nomination rate**, includes PJM LMP)	
Total Customer Incentives		\$ -	\$ 1,332,000	\$ 3,884,000	\$ 5,216,000		

Notes:

** Nomination rate - to be determined during annual nomination process
Nomination rate sets the incentive price for the Customer Load Response and Distributed Generation Programs

F.7. Demand Response, Calculation of Administration Adjustment

Calculation of Administrative Adjustment for Customer Load Response Program

Administration Adjustment		
Adjustment to Customer Load Response Program hourly incentive rate to account for difference in administration with Customer Resources Demand Response Program		
Program	Description	Cost
Customer Load Response Program	Total Administration Cost (2011 and 2012)	\$ 692,050
Customer Resources Demand Response Program	Total Administration Cost (2011 and 2012)	\$ 369,843
	Difference	\$ 322,207
	Total MWhrs delivered in Customer Resources Demand Response Program (2011 and 2012)	6000
	Adjustment (per MWhr)	\$ 54

F.8. Demand Response, Summary of Administration, Marketing & Evaluation Costs

Cost Category	2009	2010	2011	2012	Total	Description
Utility Administration Costs						
Customer Load Response Program	\$ 428,112	\$ 329,480	\$ 342,204	\$ 349,847	\$ 1,449,643	2009 based on equal allocation of start-up cost, less allocation to DG program, between CLR and CRDR programs, 2010-2012 based on 3 FTEs per Program Description, \$80,000 plus benefits with escalation
Customer Resources Demand Response Program	\$ 428,112	\$ 169,124	\$ 182,960	\$ 186,883	\$ 967,079	2009 based on equal allocation of start-up cost, less allocation to DG program, between CLR and CRDR programs, 2010-2012 based on 1.5 FTEs per Program Description, \$80,000 plus benefits with escalation
Distributed Generation Program	\$ 86,863	\$ 54,006	\$ 55,231	\$ 56,484	\$ 252,584	2009 based on allocation of start-up cost based on load ratio share of DG program to total of DG, CLR and CRDR programs, 2010-2012 based on 0.5 FTEs per Program Description, \$80,000 plus benefits with escalation
Total	\$ 943,088	\$ 552,610	\$ 580,395	\$ 593,213	\$ 2,669,306	
Marketing Costs						
Customer Load Response Program	\$ -	\$ 6,035	\$ 6,035	\$ -	\$ 12,070	See working papers for marketing plan estimate
Customer Resources Demand Response Program	\$ -	\$ 6,035	\$ 6,035	\$ -	\$ 12,070	
Distributed Generation Program	\$ -	\$ 331	\$ 331	\$ -	\$ 662	
Total	\$ -	\$ 12,401	\$ 12,401	\$ -	\$ 24,802	
Evaluation Costs						
Customer Load Response Program	\$ -	\$ -	\$ 25,549	\$ 54,767	\$ 80,317	Based on budgetary estimate per M&V contractor
Customer Resources Demand Response Program	\$ -	\$ -	\$ 31,950	\$ 94,344	\$ 126,294	
Distributed Generation Program	\$ -	\$ -	\$ 21,577	\$ 36,598	\$ 58,175	
Total	\$ -	\$ -	\$ 79,077	\$ 185,710	\$ 264,786	
Total Operating Costs						
Customer Load Response Program	\$ 428,112	\$ 335,515	\$ 373,788	\$ 404,614	\$ 1,542,030	
Customer Resources Demand Response Program	\$ 428,112	\$ 175,159	\$ 220,945	\$ 281,227	\$ 1,105,443	
Distributed Generation Program	\$ 86,863	\$ 54,337	\$ 77,139	\$ 93,082	\$ 311,421	
Total	\$ 943,088	\$ 565,011	\$ 671,872	\$ 778,923	\$ 2,958,894	

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F.9.

Allegheny Power Act 129 EE&C/DR Plan Measures by Customer Segment

Customer Category	Number of Measures
Total Available Measures	64
Low Income Available Measures	52
Low Income Specific Measures	38
Residential Available Measures	21

Energy Efficiency Measure	Specific to Low Income Customers*	Available to Low Income Customers	Available to Residential Customers	Available to Non-Residential Customers
Attic Insulation	Yes	Yes	Yes	No
Attic Vents	Yes	Yes	No	No
Baseboard Heating Unit Replacement	Yes	Yes	No	No
C & I Custom Applications	No	No	No	Yes
CFL	Yes	Yes	Yes	Yes
Clothes Dryer Vent Installation	Yes	Yes	No	No
Clothes Dryer	No	Yes	Yes	No
Clothes Washer	No	Yes	Yes	No
Consumer Efficiency	No	Yes	Yes	No
Critical Peak Rebate Rate	No	Yes	Yes	No
Custom Commercial	No	No	No	Yes
Customer Load Response	No	No	No	Yes
Customer Resources Demand Response	No	No	No	Yes
Dishwasher Rebate	No	Yes	Yes	No
Distributed Generation	No	No	No	Yes
Door Insulation	Yes	Yes	No	No
Door Replacement	Yes	Yes	No	No
Door Sweeps	Yes	Yes	No	No
Duct Insulation	Yes	Yes	No	No
Duct Seam Sealing	Yes	Yes	No	No
Energy Education	Yes	Yes	Yes	Yes
Faucet Aerator	Yes	Yes	Yes	No
Faucet Repair	Yes	Yes	No	No
Faucet Replacement	Yes	Yes	No	No
Floor and Basement Insulation	Yes	Yes	No	No
Floor Repair (Holes)	Yes	Yes	No	No
Freezer Rebate	No	Yes	Yes	No
Freezer Recycling	No	Yes	Yes	No
Furnace Filter Replacement	Yes	Yes	No	No
Home Sealing	Yes	Yes	Yes	No
HVAC Maintenance	No	Yes	Yes	Yes
In Home Audits	Yes	Yes	Yes	No
LED Exit Sign	No	No	No	Yes
LED Traffic Signal	No	No	No	Yes
Low Flow Showerhead	Yes	Yes	Yes	No
Occupancy Sensors	No	No	No	Yes
On-Line Audit	No	Yes	Yes	No
Power Strips	No	No	No	Yes
Programmable Thermostat	Yes	Yes	Yes	No
Refrigerator Rebate	No	Yes	Yes	No
Refrigerator Recycling	No	Yes	Yes	No
Refrigerator Replacement	Yes	Yes	No	No
Roof Repairs	Yes	Yes	No	No
Room Air Conditioner Protective Cover	Yes	Yes	No	No
Room Air Conditioner Rebate	No	Yes	Yes	Yes
Room Air Conditioner Recycling	No	Yes	No	No
Room Air Conditioner Replacement	Yes	Yes	No	No
T5s	No	No	No	Yes
T8s	No	No	No	Yes
Time of Use Rate	No	No	No	Yes
Vent Installation - Kitchens & Bathrooms	Yes	Yes	No	No
Well Insulation	Yes	Yes	No	No
Water Heater Element Replacement	Yes	Yes	No	No
Water Heater Jacket	Yes	Yes	No	No
Water Heater	No	Yes	Yes	No
Water Heater Replacement	Yes	Yes	No	No
Water Heater Thermostat	Yes	Yes	No	No
Water Heater Thermostat Setback	Yes	Yes	No	No
Water Line Insulation	Yes	Yes	No	No
Weather Stripping (Doorways)	Yes	Yes	No	No
Weather Stripping (Windows)	Yes	Yes	No	No
Window Insulation	Yes	Yes	No	No
Window Repairs	Yes	Yes	No	No
Window Replacement	Yes	Yes	No	No

*Energy Efficiency measures specific to low income customers includes all measures provided to low income customers through the dedicated low income programs.

Tables for Pennsylvania EDC Energy Efficiency and Conservation Plans

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1. Portfolio Summary of Lifetime Costs and Benefits
2. Summary of Portfolio Energy and Demand Savings
3. Summary of Portfolio Costs
4. Program Summaries
5. Budget and Parity Analysis Summary
6. Cost Recovery
7. Portfolio-Specific Assignment of EE&C Costs
8. Allocation of Common Costs to Applicable Customer Sector
9. Summary of Portfolio EE&C Costs
10. TRC Benefits Table (7A – 7E)

Table 1. Portfolio Summary of Lifetime Costs and Benefits**Table 1: Portfolio Summary of Lifetime Costs and Benefits****Notes:**

o Net Lifetime Benefits, and TRC per the California Standard Practice Manual

Portfolio	Discount Rate	Total Discounted Lifetime Costs (\$000)	Total Discounted Lifetime Benefits (\$000)	Total Discounted Net Lifetime Benefits (\$000)	Cost-Benefit Ratio	TRC[1]
Residential (exclusive of Low Income)	0.09017	\$37,985	\$78,836	\$40,851	2.1	\$40,851
Residential Low-Income	0.09017	\$6,781	\$7,084	\$303	1.0	\$303
Commercial/Industrial Small	0.09017	\$53,583	\$306,049	\$252,465	5.7	\$252,465
Commercial/Industrial Large	0.09017	\$7,724	\$42,517	\$34,794	5.5	\$34,794
Governmental/Non-Profit	0.09017	\$7,376	\$71,061	\$63,686	9.6	\$63,686
Total	0.09017	\$113,448	\$505,548	\$392,099	4.5	\$392,099

Table 2. Summary of Portfolio Energy and Demand Saving**Table 2: Summary of Portfolio Energy and Demand Savings**

o Program Year is June 1 – May 31

MWh Saved for Consumption Reductions kW Saved for Peak Load Reductions	Program Year 2009		Program Year 2010		Program Year 2011		Program Year 2012	
	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved	MWh Saved	kW Saved
Baseline ¹	20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000	20,938,650	3,496,000
Residential Sector (exclusive of Low-Income) - Cumulative Projected Portfolio Savings ²	4,018	610	55,882	6,825	131,978	21,502	201,038	33,242
Residential Low-Income Sector - Cumulative Projected Portfolio Savings ²	754	156	6,485	1,429	10,790	2,295	15,019	3,137
Commercial/Industrial Small Sector - Cumulative Projected Portfolio Savings ²	5,973	1,176	76,777	15,657	182,095	42,111	284,524	66,349
Commercial/Industrial Large Sector - Cumulative Net Weather Adjusted Savings ²	-	-	30,885	5,822	62,713	79,645	81,061	82,561
Governmental/Non-Profit Sector - Cumulative Projected Portfolio Savings ²	2,195	548	46,496	11,022	55,875	12,768	59,091	13,486
EE&C Plan Total - Cumulative Projected Savings	12,940	2,490	216,525	40,754	443,452	158,321	640,732	198,776
Percent Reduction From Baseline	0.1%	0.1%	1.0%	1.2%	2.1%	4.5%	3.1%	5.7%
Commission Identified Goal			209,387				628,160	157,320
Percent Savings Due to Portfolio Above or Below Commission Goal			103.4%				102.0%	100.6%

¹ Commission approved Consumption Forecast and Peak Demand Forecast per Section H of the January 15 Implementation Order. (Template Section 10A & 10B)² Adjusted for weather and extraordinary load as applicable.

Percent Savings Due to Portfolio Above or Below Commission Goal for Demand Reduction Target result of 100.6 % is calculated based on results at end of 2011 Plan Year (as of May 2012). See Table 2 (Program Level) in Appendix F.3 for the projections of the energy savings and demand reductions by program year by program, including projections with and without the installation of Smart Meters. The Company utilized the load ratio of the primary target customers with and without existing interval metering in arriving at the projections for each program.

Table 3. Summary of Portfolio Costs**Table 3: Summary of Portfolio Costs**

o Program year is June 1 – May 31

	Program Year 2009		Program Year 2010		Program Year 2011		Program Year 2012	
	Portfolio Budget	% of Portfolio Budget						
Residential Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$4,395,221	38%	\$7,956,544	33%	\$10,907,426	39%	\$10,863,172	36%
Residential Low-Income Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$863,140	8%	\$4,448,924	18%	\$3,094,332	11%	\$3,818,525	13%
Commercial/Industrial Small Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$3,566,415	31%	\$6,045,921	25%	\$8,141,338	29%	\$7,916,916	26%
Commercial/Industrial Large Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$1,980,060	17%	\$3,376,527	14%	\$4,876,903	17%	\$6,937,324	23%
Governmental/Non-Profit Portfolio Annual Budget (\$000 and percent of Portfolio Budget)	\$700,215	6%	\$2,482,028	10%	\$1,176,062	4%	\$702,999	2%
Total Portfolio Annual Budget	\$11,505,050	100%	\$24,309,944	100%	\$28,196,061	100%	\$30,238,936	100%

Table 4. Program Summaries

Table 4: Program Summaries

	Program Name	Program Market	Program Two Sentence Summary	Program Years Operated	Net Lifetime MWh Savings	Net Peak Demand kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%	
Residential Portfolio Programs (exclusive of Low Income)	<i>Compact Fluorescent Lighting (CFL) Rewards Program</i>	All residential customers	A rebate program that encourages the purchase of single and multipack CFL's. Mail-in rebates and point-of-sale discounts (where applicable) will be offered.	4	441,268	4,781	31%	6%
	<i>Critical Peak Rebate (CPR) Rate</i>	All residential customers with Smart Meters.	A rebate rate offering that encourages residential customers to lower their energy demand during peak load hours by offering a rebate based on their actual energy demand.	2	1,222	7,347	0%	0%
	<i>Residential Energy Star and High Efficiency Appliance Program</i>	All residential customers	A rebate program that encourages the purchase of certain appliances that meet or exceed Energy Star or other efficiency ratings, through mail-in rebates and point-of-sale discounts (where applicable).	4	578,715	12,672	41%	8%
	<i>Residential Home Performance Program</i>	Single family or multifamily residential dwelling units	A program that educates customers on EE&C and improves overall home performance by providing the installation of standard EE&C measures and promoting additional EE&C measures. Includes two home energy audit options and additional consumer efficiency initiatives.	4	223,526	4,424	16%	3%
	<i>Residential Whole Home Appliance Efficiency Program</i>	All residential customers with central air conditioners, heat pumps or electric water heaters.	A rebate program that encourages customers to perform maintenance on their existing central HVAC system and/or the installation of Energy Star Domestic Hot Water storage type units. Mail-in rebates will be offered for maintenance of central air conditioners or heat pumps and/or the replacement of an older resistive electric hot water storage type unit with an Energy Star rated unit.	4	156,986	4,018	11%	2%
Totals for Residential Sector					1,401,717	33,242	100%	20%
Residential Low-Income Sector Programs	<i>Residential Low Income Home Performance Check-Up Audit & Appliance Replacement Program</i>	Residential customers up to 150% of the federal poverty level.	A program that educates customers on EE&C and improves overall home performance by providing the installation of EE&C measures. Includes replacement of refrigerators and room air conditioners that meet certain qualifications.	4	26,652	1,262	22%	0%
	<i>Residential Low Income Joint Utility Usage Management Program</i>	Residential customers up to 200% of the federal poverty level.	A program that leverages resources and funding to provide comprehensive energy saving measures and weatherization services to low income customers through partnership with gas utilities.	4	95,196	1,876	78%	1%
Totals for Low-Income Sector					121,848	3,137	100%	2%
Governmental/ Non-Profit Portfolio Programs	<i>Governmental/Non-Profit Lighting Efficiency Program</i>	All government, school and non-profit customers with lighting.	A rebate program that encourages customers to upgrade lighting systems to more efficiency lighting technologies. Mail-in rebates, product distribution and/or product buy-downs will be offered for certain lighting replacements or installations including CFLs, T8, LED Exit Signs and LED Traffic Signals.	4	591,611	13,486	100%	8%
Totals for Gov't/NP Sector Programs					591,611	13,486	100%	8%

	Program Name	Program Market	Program Two Sentence Summary	Program Years Operated	Net Lifetime MWh Savings	Net Peak Demand kW Savings	Percentage of Portfolio and Total Lifetime MWh savings %/%	
Commercial/ Industrial Small Portfolio Programs	Commercial HVAC Efficiency Program	Small commercial and industrial and governmental/non-profit customers with central air conditioners or heat pumps.	A rebate program that encourages customers to perform maintenance on their existing central HVAC system. Rebates will be offered for maintenance of central air conditioners or heat pump systems.	4	25,655	3,834	1%	0%
	Commercial Products Efficiency Program	Small and large commercial and industrial and governmental/non-profit customers.	A rebate program that encourages customers to upgrade lighting systems or commercial products to more efficiency technologies. A rebate will be offered for certain replacements or installations including T8 lighting, T5 lighting, CFLs, LED Exit Sign, Occupancy Sensors and Smart Strips.	4	3,600,585	51,591	92%	50%
	Custom Technology Applications Program	Small and large commercial and industrial customers and governmental/non-profit customers.	An incentive program that encourages energy and demand reductions by providing incentives for qualified projects that improve energy efficiency of customer processes and applications. Government customers who have a preliminary audit completed will receive an additional incentive.	3	298,645	3,479	8%	4%
	Time of Use (TOU) with Critical Peak Pricing Rate	Small commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A rate offering that encourages customers to lower their demand and energy consumption during on-peak and peak load periods by charging a higher price during these periods and a lower price during off-peak periods, that reflects the cost of serving customers during these periods.	2	6,579	7,445	0%	0%
Totals for C/I Small Sector					3,931,464	66,349	100%	55%
Commercial/ Industrial Large Portfolio Programs	Custom Applications Program	Large commercial and industrial customers with at least 2,500,000 kWh's energy usage per year	An incentive program that encourages energy and demand reductions by providing incentives for qualified projects that improve energy efficiency of customer processes and applications.	3	1,113,910	14,561	99%	16%
	Customer Load Response Program	Small and large commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A program that provides demand response with participating customers by contracting with customers for load reduction during peak load hours. Customers will receive payment for their participation in Company demand response events.	2	3,150	21,000	0%	0%
	Customer Resources Demand Response Program	Small and large commercial and industrial customers and governmental/non-profit customers, with interval or Smart Meters.	A program that provides demand response with participating customers by deploying customer load during peak load hours. The Company will contract with PJM curtailment service providers for load resources for participation in Company demand response events.	2	7,250	40,000	1%	0%
	Distributed Generation Program	Small and large commercial and industrial customers and governmental/non-profit customers, with stand-by generation resources.	A program that provides demand response with participating customers by deploying customer-owned standby generation during peak load hours. The Company will contract with third party dispatchable generation provider(s) to operate, maintain and dispatch a customer's standby generator.	2	1,050	7,000	0%	0%
Totals for C/I Large Sector					1,125,360	82,561	100%	16%
Total for Plan					7,172,000	198,776	100%	100%

Table 5. Budget and Parity Analysis Summary

Table 5: Budget and Parity Analysis Summary
 o Through program year 2012

Customer Class	Budget	% of Total EDC Budget	% of Total Budget Excluding Other Expenditures	% of Total Customer Revenue	Difference
Residential	\$34,122,362	36%	36%	2.9%	33.3%
Residential Low Income	\$12,224,921	13%	13%	1.0%	11.9%
Residential Subtotal	\$ 46,347,284	49%	49%	3.9%	45.2%
C&I Small	\$25,670,590	27%	27%	2.2%	25.1%
C&I Large	\$17,170,814	18%	18%	1.5%	16.8%
C&I Subtotal	\$ 42,841,404	45%	45%	3.6%	41.8%
Governmental/Non-Profit	\$5,061,304	5%	5%	0.4%	4.9%
Governmental/Non-Profit Subtotal	\$ 5,061,304	5%	5%	0.4%	4.9%
Residential/C&I/Governmental/Non-Profit Subtotal	\$ 94,249,992	100%	100%	\$1,178,130/105	
Other Expenditures		0%			
Other Expenditures Subtotal	0	0			
EDC TOTAL	\$ 94,249,992	100%			

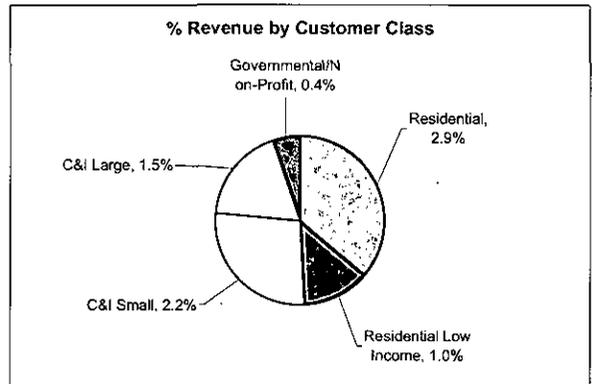
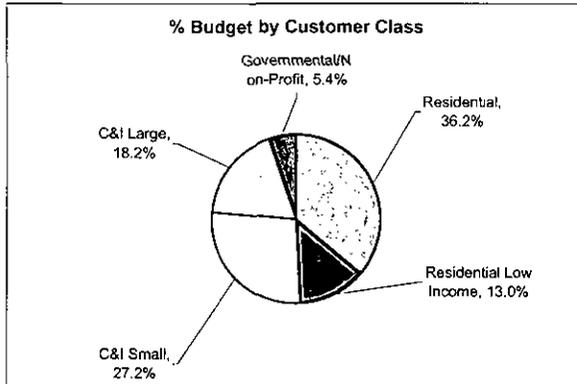


Table 6. Cost Recovery

A. Portfolio-specific Assignment of EE&C Costs

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Residential Portfolio (including Low-Income)							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
CFL Rewards Program	\$0	\$0	\$0	\$0	\$1,174,369	\$0	\$1,174,369
Critical Peak Rebate Rate Offering	\$0	\$0	\$0	\$0	\$610,830	\$0	\$610,830
Energy Star Appliance Program	\$0	\$0	\$4,091,452	\$0	\$6,015,246	\$0	\$10,106,698
Home Performance Program	\$374,721	\$0	\$2,217,820	\$0	\$3,373,158	\$0	\$5,965,699
Low Income Home Performance Check-Up & Appliance Replacement Program	\$17,623	\$0	\$362,280	\$0	\$4,238,554	\$0	\$4,618,457
Low Income Joint Utility Usage Management Program	\$41,781	\$0	\$362,280	\$0	\$5,427,276	\$0	\$5,831,337
Residential Whole Home Appliance Efficiency Program	\$0	\$0	\$0	\$0	\$974,506	\$0	\$974,506
							\$0
Totals	\$434,125	\$0	\$7,033,832	\$0	\$21,813,940	\$0	\$29,281,896

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Small Commercial/Industrial Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Commercial HVAC Efficiency Program	\$0	\$0	\$0	\$0	\$172,669		\$172,669
Commercial Products Efficiency Program	\$0	\$0	\$0	\$0	\$11,891,042	\$0	\$11,891,042
Custom Technology Program	\$0	\$0	\$1,150,530	\$0	\$4,425,116	\$0	\$5,575,646
Time of Use with Critical Peak Pricing Program	\$0	\$0	\$0	\$0	\$199,713	\$0	\$199,713
							\$0
Totals	\$0	\$0	\$1,150,530	\$0	\$16,688,539	\$0	\$17,839,069

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Large Commercial/Industrial Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Commercial & Industrial Custom Applications Program	\$0	\$0	\$373,333	\$0	\$8,400,000	\$0	\$8,773,333
Customer Load Response Program	\$10,500	\$0	\$0	\$0	\$908,250	\$0	\$918,750
Customer Resources for Demand Response	\$20,000	\$0	\$0	\$0	\$2,150,000	\$0	\$2,170,000
Distributed Generation Program	\$0	\$0	\$0	\$0	\$372,750	\$0	\$372,750
							\$0
Totals	\$30,500	\$0	\$373,333	\$0	\$11,831,000	\$0	\$12,234,833

Table 6A: Portfolio-Specific Assignment of EE&C Costs

Governmental/Non-Profit Portfolio							
EE&C Program	Cost Elements (\$)						Totals
	Administration Costs	Marketing Costs	Outside Services Costs	Evaluation Costs	Customer Incentive Costs	Utility Capital Equipment Costs	
Governmental/Non-Profit Lighting Program	\$0	\$0	\$0	\$0	\$3,378,014	\$0	\$3,378,014
							\$0
Totals	\$0	\$0	\$0	\$0	\$3,378,014	\$0	\$3,378,014

B. Allocation of Common Costs to Applicable Customer Segment

Table 6B: Allocation of Common Costs to Applicable Customer Sector

Common Cost Element	Total Cost (\$)	Basis for Cost Allocation	Class Cost Allocation (\$)			
			Residential (Including Low- Income)	Commercial/ Industrial -- Small	Commercial/ Industrial -- Large	Governmental/ Non-profit
Administration Costs	\$17,676,254	Energy usage, program level and measure share allocation	\$7,019,605	\$5,340,941	\$4,177,632	\$1,138,077
Marketing Costs	\$9,061,373	Program and measure level marketing plan	\$8,040,461	\$640,080	\$78,912	\$301,920
Outside Services Costs	\$1,088,178	Program requirements and participation levels	\$281,682	\$804,216	\$0	\$2,280
Evaluation Costs	\$3,690,375	Program level EMV plan	\$1,723,640	\$1,046,283	\$679,437	\$241,014
Customer Incentive Costs	\$0		\$0	\$0	\$0	\$0
Utility Capital Equipment Costs	\$0		\$0	\$0	\$0	\$0
Totals	\$31,516,180		\$17,065,388	\$7,831,520	\$4,935,981	\$1,683,291

C. Summary of Portfolio EE&C Costs

Table 6C: Summary of Portfolio EE&C Costs

Portfolio	Total Sector Portfolio-specific Costs	Total Common Costs	Total of All Costs
Residential (Including Low-Income)	\$29,281,896	\$17,065,388	\$46,347,284
Commercial/Industrial -- Small	\$17,839,069	\$7,831,520	\$25,670,590
Commercial/Industrial -- Large	\$12,234,833	\$4,935,981	\$17,170,814
Governmental/Non-profit	\$3,378,014	\$1,683,291	\$5,061,304
Totals	\$62,733,812	\$31,516,180	\$94,249,992

Table 7. TRC Benefits Table (7A – 7E)

Table 7A: TRC Benefits Table

o Subject yearly projections for each program thru final year of that program for TRC evaluation.

Residential	TRC Benefits By Program Per Year (\$000)												
	Program	Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions in kW		MWh Saved	
						Generation	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime
CFE Rewards Program	1		\$719,315	\$335,467	\$116,153	\$6,263	\$41,501	\$26,594	\$41,704	32	32	1,508	1,508
	2		\$678,572	\$1,107,624	\$1,786,196	\$90,817	\$674,063	\$406,648	\$614,669	1,178	1,260	21,474	23,182
	3		\$5,844,436	\$1,466,640	\$4,311,076	\$128,858	\$1,600,502	\$1,012,115	\$1,569,601	1,711	2,971	31,475	54,657
	4		\$5,462,235	\$1,490,615	\$6,952,850	\$11,018	\$2,586,166	\$1,669,736	\$2,646,730	1,810	4,781	33,301	87,958
	5		\$7,172,675	\$0	\$7,172,675	\$32,266	\$2,599,769	\$1,758,053	\$2,762,644	0	4,781	0	87,958
	6		\$5,970,807	\$0	\$5,970,807	\$54,687	\$2,023,034	\$1,483,443	\$2,409,644	0	4,781	0	68,196
	7		\$5,074,530	\$0	\$5,074,530	\$56,250	\$1,642,186	\$1,282,022	\$2,094,072	0	4,699	0	55,192
	8		\$3,970,443	\$0	\$3,970,443	\$44,108	\$1,287,714	\$1,014,927	\$1,623,693	0	3,521	0	41,355
	9		\$2,149,389	\$0	\$2,149,389	\$23,731	\$692,802	\$549,845	\$843,013	0	1,810	0	21,260
Critical Peak Rebate Rate Offering	1		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2		\$295,265	\$295,265	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	3		\$49,501	\$728,636	\$279,136	\$211,171	\$14,758	\$53,706	\$0	4,869	4,869	487	487
	4		\$106,354	\$238,158	\$151,803	\$47,665	\$21,663	\$82,535	\$0	7,347	7,347	735	735
Energy Star Appliance Program	1		\$1,754,044	\$1,943,810	\$1,886,866	\$78,237	\$55,303	\$25,924	\$39,311	501	501	2,013	2,013
	2		\$4,167,069	\$5,448,792	\$1,281,713	\$245,327	\$398,628	\$379,372	\$758,537	2,901	3,401	11,698	13,711
	3		\$4,574,608	\$7,391,437	\$2,816,829	\$337,162	\$920,320	\$921,922	\$672,226	4,373	7,779	17,718	11,429
	4		\$3,997,570	\$7,339,410	\$4,281,899	\$82,269	\$1,506,389	\$1,553,256	\$1,090,046	4,893	12,672	19,804	51,233
	5		\$5,146,146	\$755,292	\$4,390,854	\$136,665	\$1,511,729	\$1,609,804	\$1,132,927	0	12,450	0	51,146
	6		\$5,387,217	\$772,403	\$4,614,814	\$127,699	\$1,502,292	\$1,725,411	\$1,259,332	0	11,164	0	50,642
	7		\$5,537,301	\$789,773	\$4,747,529	\$110,407	\$1,484,127	\$1,817,019	\$1,338,978	0	9,224	0	49,880
	8		\$5,637,253	\$807,438	\$4,819,814	\$88,378	\$1,526,666	\$1,852,489	\$1,352,278	0	7,055	0	49,029
	9		\$5,866,942	\$825,499	\$5,041,443	\$92,072	\$1,599,152	\$1,937,117	\$1,422,102	0	7,023	0	48,798
	10		\$5,957,388	\$843,964	\$5,113,423	\$93,823	\$1,618,392	\$1,968,692	\$1,432,516	0	6,839	0	47,456
	11		\$5,946,673	\$862,843	\$5,083,830	\$93,516	\$1,619,720	\$1,957,250	\$1,413,324	0	6,515	0	45,384
	12		\$5,762,699	\$847,293	\$4,915,406	\$88,005	\$1,574,219	\$1,904,447	\$1,348,646	0	5,875	0	42,148
	13		\$5,178,529	\$659,786	\$4,518,743	\$78,301	\$1,474,108	\$1,708,885	\$1,257,249	0	4,980	0	37,713
	14		\$4,075,027	\$516,029	\$3,558,998	\$66,767	\$1,236,698	\$1,354,201	\$1,067,402	0	3,693	0	30,233
	15		\$3,269,840	\$0	\$3,269,840	\$37,832	\$767,962	\$770,824	\$488,213	0	2,197	0	13,699
	16		\$1,252,253	\$0	\$1,252,253	\$20,892	\$429,880	\$429,365	\$372,111	0	1,159	0	9,595
	17		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	18		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
Home Performance Program	1		\$1,023,378	\$1,061,565	\$78,187	\$2,054	\$13,644	\$8,743	\$13,741	27	27	496	496
	2		\$426,669	\$1,831,213	\$1,404,544	\$122,490	\$509,739	\$307,509	\$464,816	1,675	1,708	17,055	17,531
	3		\$182,655	\$2,938,274	\$3,120,929	\$162,262	\$1,132,259	\$716,011	\$1,110,938	2,042	3,741	21,136	38,667
	4		\$767,846	\$3,075,291	\$3,343,137	\$38,699	\$1,425,168	\$930,948	\$1,458,532	2,029	4,424	21,594	48,471
	5		\$2,997,310	\$0	\$2,997,310	\$33,538	\$1,082,113	\$731,764	\$1,149,894	0	3,069	0	36,611
	6		\$1,768,059	\$0	\$1,768,059	\$19,506	\$597,922	\$438,442	\$712,188	0	1,705	0	20,156
	7		\$1,559,348	\$0	\$1,559,348	\$20,091	\$503,380	\$392,979	\$641,897	0	1,679	0	16,918
	8		\$1,333,697	\$0	\$1,333,697	\$17,765	\$431,584	\$340,158	\$544,196	0	1,416	0	13,860
	9		\$937,890	\$0	\$937,890	\$15,443	\$301,309	\$230,128	\$394,022	0	1,035	0	9,240
	10		\$423,872	\$0	\$423,872	\$8,041	\$139,425	\$110,417	\$175,908	0	586	0	4,688
	11		\$451,080	\$0	\$451,080	\$8,415	\$145,911	\$114,366	\$182,388	0	586	0	4,688
	12		\$469,010	\$0	\$469,010	\$8,807	\$152,699	\$119,156	\$188,348	0	586	0	4,688
	13		\$483,344	\$0	\$483,344	\$9,216	\$159,803	\$121,643	\$192,681	0	586	0	4,688
	14		\$442,748	\$0	\$442,748	\$8,570	\$140,591	\$109,976	\$175,612	0	521	0	3,632
	15		\$199,407	\$0	\$199,407	\$3,911	\$67,805	\$48,913	\$78,779	0	227	0	1,584
Residential Whole Home Appliance Efficiency Program	1		\$773,467	\$773,467	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2		\$997,413	\$1,139,696	\$142,283	\$33,797	\$42,294	\$31,659	\$34,833	463	463	1,458	1,458
	3		\$2,381,439	\$3,000,536	\$619,097	\$92,866	\$191,316	\$155,482	\$173,413	1,678	2,142	5,280	6,738
	4		\$2,454,701	\$3,474,180	\$1,039,478	\$26,064	\$371,664	\$300,445	\$341,305	1,876	4,018	5,902	12,641
	5		\$544,476	\$540,037	\$1,084,512	\$43,910	\$375,618	\$311,570	\$355,415	0	4,018	0	12,641
	6		\$604,621	\$552,116	\$1,156,737	\$45,953	\$374,986	\$337,480	\$399,319	0	4,018	0	12,641
	7		\$631,789	\$564,466	\$1,196,256	\$48,091	\$376,107	\$338,724	\$427,334	0	4,018	0	12,641
	8		\$678,642	\$577,082	\$1,255,725	\$50,328	\$383,665	\$337,645	\$436,157	0	4,018	0	12,641
	9		\$690,420	\$590,601	\$1,280,420	\$47,951	\$401,186	\$374,628	\$456,653	0	3,658	0	12,311
	10		\$587,958	\$603,198	\$1,191,156	\$32,701	\$379,183	\$330,466	\$449,205	0	2,554	0	11,119
	11		\$455,756	\$616,691	\$1,072,446	\$12,887	\$349,252	\$273,745	\$436,562	0	898	0	9,786
	12		\$484,540	\$630,485	\$1,115,025	\$13,485	\$365,500	\$283,210	\$450,829	0	898	0	9,786
	13		\$504,394	\$644,588	\$1,148,982	\$14,114	\$382,544	\$291,164	\$461,200	0	898	0	9,786
	14		\$525,428	\$659,006	\$1,184,434	\$14,770	\$400,300	\$296,222	\$473,092	0	898	0	9,786
	15		\$49,556	\$673,747	\$1,223,303	\$15,457	\$418,923	\$302,201	\$486,722	0	898	0	9,786
	16		\$506,031	\$609,767	\$1,115,398	\$14,311	\$387,844	\$274,997	\$438,246	0	794	0	8,657
	17		\$378,822	\$378,822	\$0	\$0	\$0	\$0	\$0	0	419	0	4,569

Table 7B: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Residential Low-Income	TRC Benefits By Program Per Year (\$000)												
	Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions		MWh Saved	
						Annual	Annual	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime
Low Income Home Performance Check-Up & Appliance Replacement Program	1		-\$197,928	\$217,220	\$19,292	\$4,427	\$5,614	\$3,598	\$5,654	58	58	204	204
	2		-\$122,638	\$367,116	\$244,479	\$53,460	\$75,947	\$45,817	\$69,255	684	742	2,408	2,612
	3		-\$23,970	\$341,564	\$317,594	\$44,036	\$104,689	\$66,202	\$102,667	274	1,015	963	3,575
	4		\$27,797	\$329,948	\$357,745	\$8,184	\$130,604	\$85,313	\$133,643	246	1,262	867	4,442
	5		\$373,377	\$0	\$373,377	\$13,788	\$131,291	\$88,784	\$139,515	0	1,262	0	4,442
	6		\$399,779	\$0	\$399,779	\$14,429	\$131,771	\$96,625	\$156,954	0	1,262	0	4,442
	7		\$399,732	\$0	\$399,732	\$14,407	\$126,094	\$98,439	\$160,792	0	1,204	0	4,238
	8		\$180,255	\$0	\$180,255	\$6,511	\$56,983	\$44,912	\$71,850	0	520	0	1,830
	9		\$89,897	\$0	\$89,897	\$3,227	\$28,248	\$22,419	\$36,003	0	246	0	867
Low Income Joint Utility Usage Management Program	1		-\$403,652	\$451,205	\$47,553	\$7,456	\$15,143	\$9,704	\$15,250	98	98	550	550
	2		-\$1,451,455	\$1,784,172	\$332,717	\$49,494	\$112,606	\$67,933	\$102,684	589	687	3,322	3,873
	3		-\$1,226,149	\$1,833,713	\$607,564	\$55,491	\$211,274	\$133,604	\$207,195	593	1,279	3,342	7,215
	4		-\$1,816,876	\$2,661,429	\$844,553	\$12,169	\$310,999	\$203,151	\$318,234	596	1,876	3,362	10,577
	5		\$876,766	\$0	\$876,766	\$20,500	\$312,634	\$211,415	\$332,217	0	1,876	0	10,577
	6		\$939,062	\$0	\$939,062	\$21,454	\$313,779	\$230,086	\$373,743	0	1,876	0	10,577
	7		\$984,181	\$0	\$984,181	\$22,452	\$314,717	\$245,693	\$401,319	0	1,876	0	10,577
	8		\$1,027,735	\$0	\$1,027,735	\$23,497	\$329,359	\$259,588	\$415,292	0	1,876	0	10,577
	9		\$1,082,143	\$0	\$1,082,143	\$24,590	\$344,681	\$273,558	\$439,315	0	1,876	0	10,577
	10		\$1,068,768	\$0	\$1,068,768	\$24,395	\$341,946	\$270,803	\$431,624	0	1,778	0	10,027
	11		\$743,004	\$0	\$743,004	\$17,071	\$239,282	\$187,551	\$299,101	0	1,189	0	6,705
	12		\$387,435	\$0	\$387,435	\$8,959	\$125,582	\$97,995	\$154,900	0	596	0	3,362

Table 7C: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Commercial/Industrial Small Program	TRC Benefits By Program Per Year (\$000)												
	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity		Energy		Load Reductions		MWh Saved		
					Annual	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime	
Commercial HVAC Efficiency Program	1	-\$1,139,855	\$1,139,855	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2	-\$338,518	\$371,654	\$33,136	\$17,932	\$4,156	\$6,233	-\$4,815	\$249	249	238	238	
	3	-\$766,420	\$984,477	\$218,056	\$88,038	\$34,075	\$54,306	-\$41,637	1,782	2,031	1,703	1,941	
	4	-\$712,809	\$990,434	\$277,625	\$24,862	\$64,678	\$105,176	-\$82,909	1,803	3,834	1,724	3,665	
	5	\$301,500	\$0	\$301,500	\$41,885	\$65,053	\$108,908	\$85,654	0	3,834	0	3,665	
	6	\$321,464	\$0	\$321,464	\$43,834	\$65,414	\$117,508	\$94,708	0	3,834	0	3,665	
	7	\$340,334	\$0	\$340,334	\$45,873	\$65,796	\$127,580	\$101,085	0	3,834	0	3,665	
	8	\$346,790	\$0	\$346,790	\$48,007	\$68,857	\$128,952	\$100,974	0	3,834	0	3,665	
	9	\$339,356	\$0	\$339,356	\$46,978	\$67,381	\$125,362	\$99,634	0	3,585	0	3,427	
	10	\$178,056	\$0	\$178,056	\$24,729	\$35,468	\$65,395	\$52,464	0	1,803	0	1,724	
Commercial Products Efficiency Program	1	-\$1,924,253	\$2,376,307	\$452,054	\$89,808	\$99,195	\$102,323	\$160,727	1,176	1,176	5,973	5,973	
	2	-\$7,527,969	\$13,314,815	\$5,786,846	\$1,036,548	\$1,234,947	\$1,209,280	\$1,827,952	13,213	14,390	64,740	70,713	
	3	-\$2,654,210	\$19,736,745	\$17,082,535	\$1,443,910	\$2,887,340	\$2,977,746	\$4,614,028	18,918	33,308	95,777	164,490	
	4	\$8,418,018	\$20,951,007	\$29,369,025	\$334,541	\$4,532,543	\$4,827,848	\$7,560,340	18,283	51,591	92,347	256,837	
	5	\$37,129,584	\$0	\$37,129,584	\$542,396	\$4,427,146	\$4,876,534	\$7,657,147	0	49,650	0	249,419	
	6	\$38,238,897	\$0	\$38,238,897	\$540,684	\$4,276,211	\$5,090,955	\$8,265,676	0	47,293	0	239,586	
	7	\$39,534,927	\$0	\$39,534,927	\$558,608	\$4,273,005	\$5,390,087	\$8,799,027	0	46,689	0	238,018	
	8	\$40,793,401	\$0	\$40,793,401	\$583,414	\$4,446,689	\$5,692,284	\$9,079,946	0	46,594	0	236,681	
	9	\$42,230,093	\$0	\$42,230,093	\$609,429	\$4,629,623	\$5,968,958	\$9,579,882	0	46,508	0	235,464	
	10	\$43,571,344	\$0	\$43,571,344	\$637,781	\$4,845,006	\$6,233,990	\$9,932,739	0	46,508	0	235,464	
	11	\$44,905,826	\$0	\$44,905,826	\$667,453	\$5,070,410	\$6,459,350	\$10,296,431	0	46,508	0	235,464	
	12	\$46,286,231	\$0	\$46,286,231	\$698,505	\$5,306,300	\$6,731,747	\$10,636,174	0	46,508	0	235,464	
	13	\$47,475,625	\$0	\$47,475,625	\$731,001	\$5,553,164	\$6,877,501	\$10,887,917	0	46,508	0	235,464	
	14	\$48,691,215	\$0	\$48,691,215	\$765,009	\$5,811,513	\$6,998,095	\$11,166,554	0	46,508	0	235,464	
	15	\$49,996,359	\$0	\$49,996,359	\$800,600	\$6,081,881	\$7,138,536	\$11,489,575	0	46,508	0	235,464	
	16	\$50,611,415	\$0	\$50,611,415	\$816,655	\$6,203,376	\$7,157,325	\$11,400,588	0	45,532	0	229,491	
	17	\$24,927,165	\$0	\$24,927,165	\$0	\$0	\$0	\$0	0	34,068	0	172,282	
	18	\$18,976,068	\$0	\$18,976,068	\$0	\$0	\$0	\$0	0	17,601	0	88,850	
	19	\$9,870,532	\$0	\$9,870,532	\$0	\$0	\$0	\$0	0	0	0	0	
Custom Technology Program	1	-\$1,040,686	\$1,040,686	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$135,961	\$561,310	\$425,349	\$73,344	\$101,753	\$99,638	\$150,614	1,018	1,018	5,826	5,826	
	3	\$281,986	\$658,707	\$940,693	\$99,975	\$231,646	\$238,899	\$370,174	1,288	2,306	7,370	13,197	
	4	\$670,368	\$663,864	\$1,334,232	\$22,561	\$351,356	\$374,248	\$586,066	1,173	3,479	6,713	19,910	
	5	\$1,391,892	\$0	\$1,391,892	\$38,009	\$353,393	\$389,265	\$611,225	0	3,479	0	19,910	
	6	\$1,505,070	\$0	\$1,505,070	\$39,777	\$355,354	\$423,059	\$686,879	0	3,479	0	19,910	
	7	\$1,585,944	\$0	\$1,585,944	\$41,628	\$357,428	\$450,869	\$736,020	0	3,479	0	19,910	
	8	\$1,661,777	\$0	\$1,661,777	\$43,564	\$374,056	\$478,836	\$765,321	0	3,479	0	19,910	
	9	\$1,751,784	\$0	\$1,751,784	\$45,591	\$391,458	\$504,706	\$810,028	0	3,479	0	19,910	
	10	\$1,824,362	\$0	\$1,824,362	\$47,712	\$409,670	\$527,116	\$839,864	0	3,479	0	19,910	
	11	\$1,895,448	\$0	\$1,895,448	\$49,932	\$428,729	\$546,171	\$870,616	0	3,479	0	19,910	
	12	\$1,969,476	\$0	\$1,969,476	\$52,255	\$448,675	\$569,204	\$899,343	0	3,479	0	19,910	
	13	\$2,026,391	\$0	\$2,026,391	\$54,686	\$469,548	\$581,528	\$920,629	0	3,479	0	19,910	
	14	\$2,084,537	\$0	\$2,084,537	\$57,230	\$491,393	\$591,725	\$944,189	0	3,479	0	19,910	
	15	\$2,149,249	\$0	\$2,149,249	\$59,893	\$514,254	\$603,600	\$971,502	0	3,479	0	19,910	
	16	\$2,210,864	\$0	\$2,210,864	\$62,679	\$538,179	\$620,939	\$989,067	0	3,479	0	19,910	
	17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	2,461	0	14,083	
	18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	1,173	0	6,713	
Time of Use with Critical Peak Pricing Program	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2	-\$197,828	\$197,828	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3	\$161,399	\$208,184	\$369,583	\$193,645	\$43,306	\$63,202	\$69,430	4,467	4,467	2,467	2,467	
	4	\$138,614	\$212,322	\$350,936	\$48,276	\$72,565	\$108,522	\$121,573	7,445	7,445	4,112	4,112	

Table 7D: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Commercial/Industrial Large	TRC Benefits By Program Per Year (\$000)													
	Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity Annual		Energy Annual		Load Reductions in		MWh Saved		
						Generation	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime	
Commercial & Industrial Custom Applications Program	1		-\$1,036,972	\$1,036,972	\$0	\$0	\$0	\$0	\$0	\$0	0	0	0	0
	2		\$1,462,063	\$411,516	\$1,873,578	\$406,545	\$267,210	\$477,490	\$722,334	5,822	5,822	29,633	29,633	
	3		\$3,129,195	\$468,031	\$3,597,226	\$489,399	\$533,045	\$1,006,589	\$1,566,192	5,823	11,645	29,678	59,313	
	4		\$3,668,424	\$464,401	\$4,132,825	\$91,539	\$676,649	\$1,309,380	\$2,055,257	2,916	14,561	14,947	74,261	
	5		\$4,346,110	\$0	\$4,346,110	\$154,213	\$688,462	\$1,361,236	\$2,142,198	0	14,561	0	74,261	
	6		\$4,735,662	\$0	\$4,735,662	\$161,389	\$695,673	\$1,476,873	\$2,401,726	0	14,561	0	74,261	
	7		\$5,012,019	\$0	\$5,012,019	\$168,898	\$702,887	\$1,570,978	\$2,569,256	0	14,561	0	74,261	
	8		\$5,282,583	\$0	\$5,282,583	\$176,755	\$735,587	\$1,679,681	\$2,690,559	0	14,561	0	74,261	
	9		\$5,562,568	\$0	\$5,562,568	\$184,978	\$769,809	\$1,786,334	\$2,841,447	0	14,561	0	74,261	
	10		\$5,790,278	\$0	\$5,790,278	\$193,584	\$805,623	\$1,844,918	\$2,946,104	0	14,561	0	74,261	
	11		\$6,012,292	\$0	\$6,012,292	\$202,590	\$841,103	\$1,912,316	\$3,054,284	0	14,561	0	74,261	
	12		\$6,243,885	\$0	\$6,243,885	\$212,015	\$883,326	\$1,993,640	\$3,155,904	0	14,561	0	74,261	
	13		\$6,413,203	\$0	\$6,413,203	\$221,879	\$923,374	\$2,037,380	\$3,230,569	0	14,561	0	74,261	
	14		\$6,583,160	\$0	\$6,583,160	\$232,201	\$966,332	\$2,071,871	\$3,312,755	0	14,561	0	74,261	
	15		\$6,777,328	\$0	\$6,777,328	\$243,004	\$1,011,289	\$2,113,422	\$3,409,613	0	14,561	0	74,261	
	16		\$6,999,178	\$0	\$6,999,178	\$254,309	\$1,058,337	\$2,175,095	\$3,471,437	0	14,561	0	74,261	
	17		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	8,740	0	44,626	
	18		\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	2,916	0	14,947	
Customer Load Response Program	1		-\$428,112	\$428,112	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2		-\$335,515	\$335,515	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3		\$432,001	\$352,813	\$1,004,814	\$882,554	\$9,436	\$112,824	\$0	21,000	21,000	1,030	1,030	
	4		-\$769,560	\$1,150,114	\$380,554	\$132,014	\$19,135	\$229,405	\$0	21,000	21,000	2,100	2,100	
Customer Resources for Demand Response	1		-\$428,112	\$428,112	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2		-\$58,068	\$194,534	\$136,466	\$0	\$11,271	\$125,195	\$0	0	0	1,250	1,250	
	3		\$1,231,363	\$682,570	\$1,913,932	\$1,681,055	\$17,974	\$214,904	\$0	40,000	40,000	2,000	2,000	
	4		-\$1,256,363	\$1,981,227	\$724,864	\$251,455	\$36,447	\$436,961	\$0	40,000	40,000	4,000	4,000	
Distributed Generation Program	1		-\$86,863	\$86,863	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	2		-\$54,337	\$54,337	\$0	\$0	\$0	\$0	\$0	0	0	0	0	
	3		\$43,228	\$286,889	\$332,118	\$294,185	\$3,145	\$34,788	\$0	7,000	7,000	350	350	
	4		-\$369,216	\$490,332	\$121,116	\$44,005	\$6,378	\$70,733	\$0	7,000	7,000	700	700	

Table 7E: TRC Benefits Table

o Submit yearly projections for each program thru final year of that program for TRC evaluation.

Governmental/Non-Profit	TRC Benefits By Program Per Year (\$000)												
	Program	Program Year	TRC	Program Costs (\$000)	Program Benefits (\$000)	Capacity Annual		Energy Annual		Load Reductions		MWh Saved	
						Generation	Trans/Dist	Peak	Off Peak	Annual	Lifetime	Annual	Lifetime
Governmental/Non-Profit Lighting Program	1		-\$581,829	\$756,806	\$174,977	\$41,863	\$36,451	\$37,601	\$59,062	548	548	2,195	2,195
	2		-\$194,160	\$3,934,442	\$3,740,282	\$793,997	\$812,015	\$795,138	\$1,201,934	10,474	11,022	44,301	46,496
	3		\$5,539,991	\$2,289,703	\$7,829,694	\$553,488	\$980,789	\$1,011,499	\$1,567,321	1,745	12,768	9,379	55,875
	4		\$7,772,162	\$1,403,575	\$9,175,737	\$87,449	\$1,042,802	\$1,110,742	\$1,739,406	1,132	13,486	4,583	59,091
	5		\$8,053,020	\$0	\$8,053,020	\$65,077	\$606,805	\$668,400	\$1,049,523	0	5,957	0	34,186
	6		\$8,374,023	\$0	\$8,374,023	\$68,104	\$610,172	\$726,427	\$1,179,427	0	5,957	0	34,186
	7		\$8,642,392	\$0	\$8,642,392	\$71,273	\$613,732	\$774,179	\$1,263,805	0	5,957	0	34,186
	8		\$8,905,001	\$0	\$8,905,001	\$74,589	\$642,285	\$822,200	\$1,314,118	0	5,957	0	34,186
	9		\$9,194,909	\$0	\$9,194,909	\$78,059	\$672,166	\$866,621	\$1,390,884	0	5,957	0	34,186
	10		\$9,457,918	\$0	\$9,457,918	\$81,690	\$703,437	\$905,101	\$1,442,115	0	5,957	0	34,186
	11		\$9,721,460	\$0	\$9,721,460	\$85,491	\$736,163	\$937,820	\$1,494,918	0	5,957	0	34,186
	12		\$9,993,219	\$0	\$9,993,219	\$89,468	\$770,411	\$977,369	\$1,544,245	0	5,957	0	34,186
	13		\$10,238,828	\$0	\$10,238,828	\$93,630	\$806,253	\$998,531	\$1,580,795	0	5,957	0	34,186
	14		\$10,489,858	\$0	\$10,489,858	\$97,986	\$843,762	\$1,016,040	\$1,621,250	0	5,957	0	34,186
	15		\$10,755,544	\$0	\$10,755,544	\$102,545	\$883,016	\$1,036,430	\$1,668,149	0	5,957	0	34,186
	16		\$10,927,633	\$0	\$10,927,633	\$104,884	\$901,724	\$1,040,390	\$1,657,191	0	5,822	0	33,359
	17		\$7,193,835	\$0	\$7,193,835	\$0	\$0	\$0	\$0	0	2,877	0	13,962
	18		\$2,371,090	\$0	\$2,371,090	\$0	\$0	\$0	\$0	0	1,132	0	4,583
	19		\$479,331	\$0	\$479,331	\$0	\$0	\$0	\$0	0	0	0	0

Chart 1: Gantt Chart of Program Schedule Summary (For Section 1.4)

Please see the following pages for sector specific implementation schedules.

Allegheny Power EE&C and DR Plan Residential Portfolio Implementation Schedule
 - This chart assumes November 2009 Plan approval.
 - Programs included in chart are those for which referenced sector is the primary market.

Key Activities and Milestones	Pre-Plan		Plan Year - 2009				Plan Year - 2010				Plan Year - 2011				Plan Year - 2012			Post Plan		
	'09 Qtr 1	'09 Qtr 2	'09 Qtr 3	'09 Qtr 4	'10 Qtr 1	'10 Qtr 2	'10 Qtr 3	'10 Qtr 4	'11 Qtr 1	'11 Qtr 2	'11 Qtr 3	'11 Qtr 4	'12 Qtr 1	'12 Qtr 2	'12 Qtr 3	'12 Qtr 4	'13 Qtr 1	'13 Qtr 2	'13 Qtr 3	'13 Qtr 4
Design Portfolio Design and Annual Evaluation	Design S: Jan-09 C: Jun-09						Annual Evaluation Mar-2010				Annual Evaluation Mar-2011				Annual Evaluation Mar-2012				Plan-end Evaluation Mar-2013	
Contract for Recycling Services Vendor		S: May-09 C: Jun-09																		
Contracts for Implementation Service Vendors		Start Jul-09					Complete Sept-10													
Contract for EM&V Services Vendor			Start Sept-09	Complete Dec-09																
Contract for Rebate Processing Services Vendor		Start Jul-09	Complete Sep-09																	
Tracking and Reporting Database			Start Aug-09			Complete Jun-10														
Program Marketing Plans			Start Aug-09	Complete Nov-09																
Internal Training (key customer touch points, general employee)				S: Oct-09 C: Dec-09																
External Training & Relationship Building (State Agency Partnerships, Trade Alleys, Community Based Organizations, etc.)				S: Oct-09 C: Dec-09																
Implementation Residential Energy Star and High Efficiency Appliance Program					Launch Jan-10														Close May-13	
Compact Fluorescent Light (CFL) Rewards Program					Launch Jan-10														Close May-13	
Residential HVAC Efficiency Program					Launch Jan-10														Close May-13	
Residential Home Performance Program									Launch Jan-11										Close May-13	
Residential Low-Income Home Performance Check-up Audit and Appliance Replacement Program					Launch Jan-10														Close May-13	
Residential Low-Income Joint Utility Usage Reduction Management Program					Launch Jan-10														Close May-13	
Critical Peak Rebate (CPR) Rate									Launch Jan-11										Close May-13	
Reports PUC Annual and Plan-end Reporting													Jul-15-11				Jul-15-12			Jul-15-13

Allegheny Power EE&C and DR Plan Commercial/Industrial Small Portfolio Implementation Schedule

- This chart assumes November 2009 Plan approval.
 - Programs included in chart are those for which referenced sector is the primary market.

Key Activities and Milestones	Pre-Plan		Plan Year - 2009				Plan Year - 2010				Plan Year - 2011				Plan Year - 2012				Post Plan		
	'09 Qtr 1	'09 Qtr 2	'09 Qtr 3	'09 Qtr 4	'10 Qtr 1	'10 Qtr 2	'10 Qtr 3	'10 Qtr 4	'11 Qtr 1	'11 Qtr 2	'11 Qtr 3	'11 Qtr 4	'12 Qtr 1	'12 Qtr 2	'12 Qtr 3	'12 Qtr 4	'13 Qtr 1	'13 Qtr 2	'13 Qtr 3	'13 Qtr 4	
Design Portfolio Design and Annual Evaluation	Design						Annual Evaluation Mar-2010			Annual Evaluation Mar-2011				Annual Evaluation Mar-2012					Plan-end Evaluation Mar-2013		
Pre-Implementation Contract for Implementation Services Vendor		Start Jul-09			Complete Mar-10																
Contract for EM&V Services Vendor			Start Sept-09	Complete Dec-09																	
Contract for Rebate Processing Services Vendor (same vendor as for Residential Rebate Processing Services)		Start Jul-09	Complete Sep-09																		
Tracking and Reporting Database			Start Aug-09			Complete Jun-10															
Program Marketing Plans			Start Aug-09	Complete Nov-09																	
Internal Training (key customer touch points, general employee)				S: Oct-09 C: Dec-09																	
External Training & Relationship Building (State Agency Partnerships, Trade Allies, Community Based Organizations, etc.)				S: Oct-09 C: Dec-09																	
Early Notification of Potential Program Availability for Customer Budgeting				S: Oct-09 C: Dec-09																	
Commercial HVAC Efficiency Program					Launch Jan-10														Close May-13		
Commercial Lighting Efficiency Program					Launch Jan-10														Close May-13		
Custom Technology Applications Program					Launch Jan-10														Close May-13		
Time of Use (TOU) with Critical Peak Pricing (CPP) Rate									Launch Jan-11										Close May-13		
Reports PUC Annual and Plan-end Reporting													Jul-15-11						Jul-15-12		Jul-15-13

Allegheny Power EE&C and DR Plan Governmental/ Non-Profit Portfolio Implementation Schedule
 This chart assumes November 2009 Plan approval.
 Programs included in chart are those for which referenced sector is the primary market.

Key Activities and Milestones	Pre-Plan		Plan Year - 2009				Plan Year - 2010				Plan Year - 2011				Plan Year - 2012				Post Plan	
	'09 Qtr 1	'09 Qtr 2	'09 Qtr 3	'09 Qtr 4	'10 Qtr 1	'10 Qtr 2	'10 Qtr 3	'10 Qtr 4	'11 Qtr 1	'11 Qtr 2	'11 Qtr 3	'11 Qtr 4	'12 Qtr 1	'12 Qtr 2	'12 Qtr 3	'12 Qtr 4	'13 Qtr 1	'13 Qtr 2	'13 Qtr 3	'13 Qtr 4
Design Portfolio Design and Annual Evaluation	Design						Annual Evaluation Mar-2010				Annual Evaluation Mar-2011			Annual Evaluation Mar-2012					Plan-end Evaluation Mar-2013	
Pre-Implementation Contract for Implementation Services Vendor		Start Jul-09				Complete Mar-10														
Contract for EM&V Services Vendor			Start Sept-09	Complete Dec-09																
Contract for Rebate Processing Services Vendor (same vendor as for Residential Rebate Processing Services)		Start Jul-09	Complete Sep-09																	
Tracking and Reporting Database			Start Aug-09			Complete Jun-10														
Program Marketing Plans			Start Aug-09	Complete Nov-09																
Internal Training (key customer touch points, general employee)				S: Oct-09 C: Dec-09																
External Training & Relationship Building (State Agency Partnerships, Trade Allies, Community Based Organizations, etc.)				S: Oct-09 C: Dec-09																
Early Notification of Potential Program Availability for Customer Budgeting				S: Oct-09 C: Dec-09																
Implementation Governmental/ Non-Profit Lighting Efficiency Program						Launch April-10													Close May-13	
Reports PUC Annual and Plan-end Reporting												Jul-15-11				Jul-15-12				Jul-15-13

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Supporting Cost Documentation: Surcharge Recovery

Please see the following pages for surcharge cost recovery calculations.

WEST PENN POWER CO. d/b/a Allegheny Power
Summary of Program Costs

	Program Costs
<u>Residential</u>	
Low Income Home Performance Check-Up & Appliance Replacement	\$ 5,494,402
Low Income Joint Utility Usage Management Program	\$ 6,730,519
Residential Whole Home Appliance Efficiency Program	\$ 3,212,673
Energy Star Appliance Program	\$ 16,573,857
CFL Rewards Program	\$ 3,203,876
Home Performance Program	\$ 9,639,068
Critical Peak Rebate Rate Offering	\$ 1,492,888
<u>Non-Residential</u>	
Custom Technology Applications Program	\$ 7,349,682
Commercial Products Efficiency Program	\$ 15,300,747
Time of Use with Critical Peak Pricing Program	\$ 818,047
Commercial HVAC Efficiency Program	\$ 2,202,113
Customer Load Response Program	\$ 2,450,280
Custom Application Program	\$ 10,780,920
Customer Resources Demand Response Program	\$ 3,255,443
Distributed Generation Program	\$ 684,171
Governmental/Non-Profit Lighting Program	\$ 5,061,304
Total	\$ 94,249,992

Above costs exclude GRT of 5.9%

WEST PENN POWER CO.
d/b/a Allegheny Power
Billed ERAC Surcharge Revenue

Tariff Classification	Program	Nov 2009 - Jul 2010		Allocated Revenue		Aug-Dec 2010		Allocated Revenue	
		\$/kWh	\$/kW	with GRT*	without GRT**	\$/kWh	\$/kW	with GRT*	without GRT**
Tariff No. 39, Schedule 10	Low Income Home Performance Check-Up & Appliance	\$ 0.0023	\$ -	\$ 1,369,402.65	\$ 1,288,607.90	\$ -	\$ -	\$ 782,253.95	\$ 736,100.97
	Low Income Joint Utility Usage Management Program	\$ 0.0028	\$ -	\$ 1,677,487.47	\$ 1,578,515.71	\$ -	\$ -	\$ 958,243.51	\$ 901,707.14
	Residential Whole Home Appliance Efficiency Program	\$ 0.0013	\$ -	\$ 800,713.67	\$ 753,471.56	\$ -	\$ -	\$ 457,397.56	\$ 430,411.10
	Energy Star Appliance Program	\$ 0.0069	\$ -	\$ 4,130,801.27	\$ 3,887,084.00	\$ -	\$ -	\$ 2,359,668.00	\$ 2,220,447.58
	CFL Rewards Program	\$ 0.0013	\$ -	\$ 798,521.05	\$ 751,408.30	\$ -	\$ -	\$ 456,145.05	\$ 429,232.49
	Home Performance Program	\$ 0.0040	\$ -	\$ 2,402,402.54	\$ 2,260,660.79	\$ -	\$ -	\$ 1,372,342.07	\$ 1,291,373.89
	Critical Peak Rebate Rate Offering	\$ 0.0006	\$ -	\$ 372,081.46	\$ 350,128.66	\$ -	\$ -	\$ 212,546.83	\$ 200,006.57
Total	\$ 0.0193	\$ -	\$ 11,551,410.11	\$ 10,869,876.91	\$ 0.00233	\$ -	\$ 6,598,596.97	\$ 6,209,279.75	
Tariff No. 39, Schedule 20	Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Products Efficiency Program	\$ 0.0012	\$ -	\$ 1,856,395.06	\$ 1,558,687.76	\$ -	\$ -	\$ 1,078,128.09	\$ 1,014,519.46
	Time of Use with Critical Peak Pricing Program	\$ 0.0005	\$ -	\$ 78,368.62	\$ 73,745.06	\$ -	\$ -	\$ 51,009.39	\$ 47,909.64
	Commercial HVAC Efficiency Program	\$ 0.0014	\$ -	\$ 210,962.27	\$ 198,615.49	\$ -	\$ -	\$ 137,312.99	\$ 129,211.62
	Customer Load Response Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Custom Application Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Resources Demand Response Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributed Generation Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Municipal LED Traffic Signals	\$ 0.0011	\$ -	\$ 156,979.22	\$ 147,717.44	\$ -	\$ -	\$ 102,176.02	\$ 96,147.64	
Total	\$ 0.0142	\$ -	\$ 2,102,705.37	\$ 1,978,645.75	\$ 0.00129	\$ -	\$ 1,368,627.50	\$ 1,287,878.48	
Tariff No. 39, Schedule 22	Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Products Efficiency Program	\$ 0.0012	\$ -	\$ 26,718.30	\$ 25,141.92	\$ -	\$ -	\$ 14,289.48	\$ 13,446.40
	Time of Use with Critical Peak Pricing Program	\$ 0.0005	\$ -	\$ 1,264.12	\$ 1,189.54	\$ -	\$ -	\$ 676.08	\$ 636.19
	Commercial HVAC Efficiency Program	\$ 0.0014	\$ -	\$ 3,402.90	\$ 3,202.13	\$ -	\$ -	\$ 1,819.94	\$ 1,712.56
	Customer Load Response Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Custom Application Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Resources Demand Response Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributed Generation Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 0.00132	\$ -	\$ 31,385.32	\$ 29,533.59	\$ 0.00108	\$ -	\$ 16,785.50	\$ 15,795.16	
Tariff No. 39, Schedule 30 (small)	Custom Technology Applications Program	\$ 0.00033	\$ 0.07	\$ 484,355.21	\$ 455,778.25	\$ -	\$ -	\$ 334,221.70	\$ 314,502.62
	Commercial Products Efficiency Program	\$ 0.00062	\$ 0.19	\$ 1,052,445.81	\$ 990,351.51	\$ -	\$ -	\$ 726,223.69	\$ 683,376.49
	Time of Use with Critical Peak Pricing Program	\$ 0.00030	\$ 0.02	\$ 49,794.24	\$ 46,956.38	\$ -	\$ -	\$ 34,358.73	\$ 32,332.61
	Commercial HVAC Efficiency Program	\$ 0.0002	\$ 0.05	\$ 134,341.91	\$ 126,133.43	\$ -	\$ -	\$ 82,493.51	\$ 77,036.39
	Customer Load Response Program	\$ 0.00000	\$ 0.03	\$ 76,407.24	\$ 71,899.21	\$ -	\$ -	\$ 52,723.61	\$ 49,612.92
	Custom Application Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Resources Demand Response Program	\$ 0.00000	\$ 0.04	\$ 101,514.69	\$ 95,526.33	\$ -	\$ -	\$ 70,048.62	\$ 65,915.75
Distributed Generation Program	\$ 0.00090	\$ 0.01	\$ 21,334.56	\$ 20,075.62	\$ -	\$ -	\$ 14,721.58	\$ 13,853.00	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 0.00097	\$ 0.42	\$ 1,919,893.66	\$ 1,806,619.93	\$ 0.00079	\$ 0.36	\$ 1,324,792.45	\$ 1,246,629.70	
Tariff No. 39, Schedule 30 (large)	Custom Technology Applications Program	\$ -	\$ 0.25	\$ 388,044.95	\$ 365,150.30	\$ -	\$ -	\$ 426,093.29	\$ 400,953.79
	Commercial Products Efficiency Program	\$ -	\$ 0.12	\$ 178,869.18	\$ 168,315.90	\$ -	\$ -	\$ 196,407.55	\$ 184,819.50
	Time of Use with Critical Peak Pricing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial HVAC Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Load Response Program	\$ -	\$ 0.04	\$ 81,245.26	\$ 77,831.80	\$ -	\$ -	\$ 67,250.46	\$ 63,282.68
	Custom Application Program	\$ -	\$ 0.22	\$ 342,241.50	\$ 322,049.25	\$ -	\$ -	\$ 375,798.74	\$ 353,626.62
	Customer Resources Demand Response Program	\$ -	\$ 0.05	\$ 81,370.50	\$ 76,569.64	\$ -	\$ -	\$ 89,348.99	\$ 84,077.40
Distributed Generation Program	\$ -	\$ 0.01	\$ 17,101.01	\$ 16,092.05	\$ -	\$ -	\$ 18,777.79	\$ 17,669.90	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 0.70	\$ 1,068,872.42	\$ 1,005,806.95	\$ -	\$ 0.59	\$ 1,173,576.82	\$ 1,104,429.89	
Tariff No. 39, Schedule 40	Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Products Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Time of Use with Critical Peak Pricing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial HVAC Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Load Response Program	\$ -	\$ 0.04	\$ 78,532.17	\$ 73,992.87	\$ -	\$ -	\$ 98,605.25	\$ 92,787.64
	Custom Application Program	\$ -	\$ 0.22	\$ 439,400.31	\$ 413,475.69	\$ -	\$ -	\$ 551,010.83	\$ 518,501.50
	Customer Resources Demand Response Program	\$ -	\$ 0.05	\$ 104,470.74	\$ 98,306.97	\$ -	\$ -	\$ 131,006.69	\$ 123,277.68
Distributed Generation Program	\$ -	\$ 0.01	\$ 21,955.81	\$ 20,660.42	\$ -	\$ -	\$ 27,532.73	\$ 25,900.29	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 0.33	\$ 644,459.03	\$ 606,435.95	\$ -	\$ 0.31	\$ 808,155.80	\$ 760,474.61	
Tariff No. 39, Schedule 41	Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Products Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Time of Use with Critical Peak Pricing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial HVAC Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Load Response Program	\$ -	\$ 0.04	\$ 1,685.88	\$ 1,586.51	\$ -	\$ -	\$ 2,258.31	\$ 2,125.07
	Custom Application Program	\$ -	\$ 0.22	\$ 9,421.33	\$ 8,865.48	\$ -	\$ -	\$ 12,619.53	\$ 11,874.58
	Customer Resources Demand Response Program	\$ -	\$ 0.05	\$ 2,239.99	\$ 2,107.83	\$ -	\$ -	\$ 3,000.39	\$ 2,823.37
Distributed Generation Program	\$ -	\$ 0.01	\$ 470.76	\$ 442.99	\$ -	\$ -	\$ 630.57	\$ 593.37	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 0.33	\$ 13,816.07	\$ 13,002.80	\$ -	\$ 0.31	\$ 18,508.80	\$ 17,416.78	
Tariff No. 39, Schedule 44	Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Products Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Time of Use with Critical Peak Pricing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial HVAC Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Load Response Program	\$ -	\$ 0.04	\$ 1,490.23	\$ 1,402.31	\$ -	\$ -	\$ 1,825.09	\$ 1,717.41
	Custom Application Program	\$ -	\$ 0.22	\$ 8,327.49	\$ 7,836.17	\$ -	\$ -	\$ 10,198.72	\$ 9,596.99
	Customer Resources Demand Response Program	\$ -	\$ 0.05	\$ 1,979.92	\$ 1,863.11	\$ -	\$ -	\$ 2,424.82	\$ 2,281.76
Distributed Generation Program	\$ -	\$ 0.01	\$ 416.11	\$ 391.55	\$ -	\$ -	\$ 509.61	\$ 479.54	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 0.33	\$ 12,213.75	\$ 11,493.14	\$ -	\$ 0.31	\$ 14,958.24	\$ 14,075.70	
Tariff No. 39, Schedule 46	Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Products Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Time of Use with Critical Peak Pricing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial HVAC Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Load Response Program	\$ -	\$ 0.04	\$ 34,952.37	\$ 32,890.18	\$ -	\$ -	\$ 38,798.18	\$ 36,509.09
	Custom Application Program	\$ -	\$ 0.22	\$ 195,315.51	\$ 183,791.69	\$ -	\$ -	\$ 216,806.09	\$ 204,014.53
	Customer Resources Demand Response Program	\$ -	\$ 0.05	\$ 46,437.74	\$ 43,697.91	\$ -	\$ -	\$ 51,547.29	\$ 48,506.00
Distributed Generation Program	\$ -	\$ 0.01	\$ 9,759.46	\$ 9,183.65	\$ -	\$ -	\$ 10,833.29	\$ 10,194.13	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 0.33	\$ 286,465.08	\$ 269,563.64	\$ -	\$ 0.31	\$ 317,984.86	\$ 299,223.75	
Tariff No. 37	Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Products Efficiency Program	\$ -	\$ 0.12	\$ 29,969.88	\$ 28,201.66	\$ -	\$ -	\$ 32,782.79	\$ 30,848.60
	Time of Use with Critical Peak Pricing Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial HVAC Efficiency Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Customer Load Response Program	\$ -	\$ 0.04	\$ 10,261.77	\$ 9,656.32	\$ -	\$ -	\$ 11,224.91	\$ 10,562.64
	Custom Application Program	\$ -	\$ 0.22	\$ 57,343.23	\$ 53,959.98	\$ -	\$ -	\$ 62,725.34	\$ 59,024.54
	Customer Resources Demand Response Program	\$ -	\$ 0.05	\$ 13,633.79	\$ 12,829.39	\$ -	\$ -	\$ 14,913.42	\$ 14,033.53
Distributed Generation Program	\$ -	\$ 0.01	\$ 2,865.31	\$ 2,696.25	\$ -	\$ -	\$ 3,134.24	\$ 2,948.32	
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 0.44	\$ 114,073.97	\$ 107,343.61	\$ -	\$ 0.44	\$ 124,780.70	\$ 117,418.64	
Total				\$ 17,745,296.78	\$ 16,696,324.27			\$ 11,766,967.64	\$ 11,072,622.45

*BUNDL GC870 and GD424, with 5.9% GRT
**excludes 5.9% GRT

WEST PENN POWER CO.
d/b/a Allegheny Power
EE&C Surcharge Remainder

Customer Class	Program Name	Total	EE&C Surcharge Billed*	Remainder** thru May 2013
Commercial	Custom Technology Applications Program	\$ 7,349,682	\$ (1,536,385)	\$ 5,813,297
	Commercial Products Efficiency Program	\$ 19,419,203	\$ (4,697,689)	\$ 14,721,514
	Time of Use with Critical Peak Pricing Program	\$ 818,047	\$ (202,760)	\$ 615,287
	Commercial HVAC Efficiency Program	\$ 2,202,113	\$ (545,812)	\$ 1,656,302
Industrial	Customer Load Response Program	\$ 2,450,280	\$ (505,657)	\$ 1,944,623
	Custom Application Program	\$ 10,780,920	\$ (2,146,617)	\$ 8,634,303
	Customer Resources Demand Response Program	\$ 3,255,443	\$ (671,816)	\$ 2,583,627
	Distributed Generation Program	\$ 684,171	\$ (141,190)	\$ 542,981
Municipal	Municipal LED Traffic Signals	\$ 942,848	\$ (243,865)	\$ 698,983
Residential	Low Income Home Performance Check-Up & Appliance Replacement	\$ 5,494,402	\$ (2,024,709)	\$ 3,469,693
	Low Income Joint Utility Usage Management Program	\$ 6,730,519	\$ (2,480,223)	\$ 4,250,296
	Residential Whole Home Appliance Efficiency Program	\$ 3,212,673	\$ (1,183,883)	\$ 2,028,790
	Energy Star Appliance Program	\$ 16,573,857	\$ (6,107,532)	\$ 10,466,325
	CFL Rewards Program	\$ 3,203,876	\$ (1,180,641)	\$ 2,023,235
	Home Performance Program	\$ 9,639,068	\$ (3,552,035)	\$ 6,087,034
	Critical Peak Rebate Rate Offering	\$ 1,492,888	\$ (550,135)	\$ 942,753
Total of Programs Recommended		\$ 94,249,992	\$ (27,770,947)	\$ 66,479,045

*Billed amounts through Jul 2010; forecasted amounts Aug through Dec 2010

**excludes 5.9% GRT

Levelized Surcharge Summary
Residential
Tariff No. 39, Schedule 10

Tariff No. 39, Schedule 10

Surcharge post-tax*

	\$/ kWh	\$/ kWh
Low Income Home Performance Check-Up & Appliance	\$ 0.00023	\$ 0.00022
Low Income Joint Utility Usage Management Program	\$ 0.00028	\$ 0.00026
Residential Whole Home Appliance Efficiency Program	\$ 0.00013	\$ 0.00013
Energy Star Appliance Program	\$ 0.00069	\$ 0.00065
CFL Rewards Program	\$ 0.00013	\$ 0.00013
Home Performance Program	\$ 0.00040	\$ 0.00038
Critical Peak Rebate Rate Offering	\$ 0.00006	\$ 0.00006

Total Surcharge post-tax*

\$ 0.00193	\$ 0.00182
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Billing Determinants

Tariff No. 39, Schedule 10

43-mo. kWh	29-mo. kWh
25,485,145,445	17,098,000,608

Average usage

Tariff No. 39, Schedule 10

kWh	kWh
967	967

Surcharge for average usage

Tariff No. 39, Schedule 10

\$/ month	\$/ month
\$ 1.87	\$ 1.76

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 20

Tariff No. 39, Schedule 20

Surcharge post-tax*

	\$/ kWh	\$/ kW-kVA	\$/ kWh	\$/ kW-kVA
Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -
Commercial Products Efficiency Program	\$ 0.00112	\$ -	\$ 0.00125	\$ -
Time of Use with Critical Peak Pricing Program	\$ 0.00005	\$ -	\$ 0.00006	\$ -
Commercial HVAC Efficiency Program	\$ 0.00014	\$ -	\$ 0.00016	\$ -
Customer Load Response Program	\$ -	\$ -	\$ -	\$ -
Custom Application Program	\$ -	\$ -	\$ -	\$ -
Customer Resources Demand Response Program	\$ -	\$ -	\$ -	\$ -
Distributed Generation Program	\$ -	\$ -	\$ -	\$ -
Municipal LED Traffic Signals	\$ 0.00011	\$ -	\$ 0.00012	\$ -
Total Surcharge post-tax*	\$ 0.00142	\$ -	\$ 0.00158	\$ -
Billing Determinants	43-mo. kWh	43-mo. kW-kVA	29-mo. kWh	29-mo. kW-kVA
Tariff No. 39, Schedule 20	9,441,422,082	0	6,401,373,760	0
Average usage	kWh	kW-kVA	kWh	kW-kVA
Tariff No. 39, Schedule 20	2,534	0	2,534	0
Surcharge for average usage	\$ / month		\$ / month	
Tariff No. 39, Schedule 20	\$ 3.60		\$ 4.00	

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 22

Tariff No. 39, Schedule 22

Surcharge post-tax*

	\$/ kWh	\$/ kW-kVA	\$/ kWh	\$/ kW-kVA
Custom Technology Applications Program	\$ -	\$ -	\$ -	\$ -
Commercial Products Efficiency Program	\$ 0.00112	\$ -	\$ 0.00125	\$ -
Time of Use with Critical Peak Pricing Program	\$ 0.00005	\$ -	\$ 0.00006	\$ -
Commercial HVAC Efficiency Program	\$ 0.00014	\$ -	\$ 0.00016	\$ -
Customer Load Response Program	\$ -	\$ -	\$ -	\$ -
Custom Application Program	\$ -	\$ -	\$ -	\$ -
Customer Resources Demand Response Program	\$ -	\$ -	\$ -	\$ -
Distributed Generation Program	\$ -	\$ -	\$ -	\$ -
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -

Total Surcharge post-tax*

\$ 0.00132	\$ -	\$ 0.00146	\$ -
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Billing Determinants

	43-mo. kWh	43-mo. kW-kVA	29-mo. kWh	29-mo. kW-kVA
Tariff No. 39, Schedule 22	156,780,647	0	107,557,480	0

Average usage

	kWh	kW-kVA	kWh	kW-kVA
Tariff No. 39, Schedule 22	2,607	0	2,607	0

Surcharge for average usage

	\$/ month	\$/ month
Tariff No. 39, Schedule 22	\$ 3.43	\$ 3.82

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 30 (small)

Tariff No. 39, Schedule 30 (small)

Surcharge post-tax*

	\$/ kWh	\$/ kW-kVA	\$/ kWh	\$/ kW-kVA
Custom Technology Applications Program	\$ 0.00033	\$ 0.07	\$ 0.00038	\$ 0.08
Commercial Products Efficiency Program	\$ 0.00062	\$ 0.19	\$ 0.00069	\$ 0.22
Time of Use with Critical Peak Pricing Program	\$ 0.00000	\$ 0.02	\$ 0.00000	\$ 0.02
Commercial HVAC Efficiency Program	\$ 0.00002	\$ 0.05	\$ 0.00002	\$ 0.05
Customer Load Response Program	\$ 0.00000	\$ 0.03	\$ 0.00000	\$ 0.04
Custom Application Program	\$ -	\$ -	\$ -	\$ -
Customer Resources Demand Response Program	\$ 0.00000	\$ 0.04	\$ 0.00000	\$ 0.05
Distributed Generation Program	\$ 0.00000	\$ 0.01	\$ 0.00000	\$ 0.01
Municipal LED Traffic Signals	\$ -	\$ -	\$ -	\$ -
Total Surcharge post-tax*	\$ 0.00097	\$ 0.42	\$ 0.00110	\$ 0.47
Billing Determinants	43-mo. kWh	43-mo. kW-kVA	29-mo. kWh	29-mo. kW-kVA
Tariff No. 39, Schedule 30 (small)	6,810,435,123	17,465,663	4,675,940,371	11,945,016
Average usage	kWh	kW-kVA	kWh	kW-kVA
Tariff No. 39, Schedule 30 (small)	78,815	203	78,815	203
Surcharge for average usage	\$/ month		\$/ month	
Tariff No. 39, Schedule 30 (small)	\$ 161.16		\$ 181.89	

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 30 (large)

Tariff No. 39, Schedule 30 (large)

Surcharge post-tax*

Custom Technology Applications Program
 Commercial Products Efficiency Program
 Time of Use with Critical Peak Pricing Program
 Commercial HVAC Efficiency Program
 Customer Load Response Program
 Custom Application Program
 Customer Resources Demand Response Program
 Distributed Generation Program
 Municipal LED Traffic Signals

	\$/ kW PLC	\$/ kW PLC
	\$ 0.25	\$ 0.30
	\$ 0.12	\$ 0.13
	\$ -	\$ -
	\$ -	\$ -
	\$ 0.04	\$ 0.05
	\$ 0.22	\$ 0.27
	\$ 0.05	\$ 0.06
	\$ 0.01	\$ 0.01
	\$ -	\$ -

Total Surcharge post-tax*

\$ 0.70	\$ 0.82
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Billing Determinants

Tariff No. 39, Schedule 30 (large)

43-mo. kW PLC	29-mo. kW PLC
17,012,271	11,327,694

Average usage

Tariff No. 39, Schedule 30 (large)

kW PLC	kW PLC
758	758

Surcharge for average usage

Tariff No. 39, Schedule 30 (large)

\$/ month	\$/ month
\$ 527.83	\$ 621.27

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 40

Tariff No. 39, Schedule 40

Surcharge post-tax*

	<u>\$ / kW PLC</u>	<u>\$ / kW PLC</u>
Custom Technology Applications Program	\$ -	\$ -
Commercial Products Efficiency Program	\$ -	\$ -
Time of Use with Critical Peak Pricing Program	\$ -	\$ -
Commercial HVAC Efficiency Program	\$ -	\$ -
Customer Load Response Program	\$ 0.04	\$ 0.05
Custom Application Program	\$ 0.22	\$ 0.27
Customer Resources Demand Response Program	\$ 0.05	\$ 0.06
Distributed Generation Program	\$ 0.01	\$ 0.01
Municipal LED Traffic Signals	\$ -	\$ -

Total Surcharge post-tax*

\$ 0.33	\$ 0.39
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Billing Determinants

Tariff No. 39, Schedule 40

<u>43-mo. kW PLC</u>	<u>29-mo. kW PLC</u>
22,105,254	14,945,189

Average usage

Tariff No. 39, Schedule 40

<u>kW PLC</u>	<u>kW PLC</u>
4,447	4,447

Surcharge for average usage

Tariff No. 39, Schedule 40

<u>\$ / month</u>	<u>\$ / month</u>
\$ 1,454.32	\$ 1,731.04

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 41

Tariff No. 39, Schedule 41

Surcharge post-tax*

	<u>\$ / kW PLC</u>	<u>\$ / kW PLC</u>
Custom Technology Applications Program	\$ -	\$ -
Commercial Products Efficiency Program	\$ -	\$ -
Time of Use with Critical Peak Pricing Program	\$ -	\$ -
Commercial HVAC Efficiency Program	\$ -	\$ -
Customer Load Response Program	\$ 0.04	\$ 0.05
Custom Application Program	\$ 0.22	\$ 0.27
Customer Resources Demand Response Program	\$ 0.05	\$ 0.06
Distributed Generation Program	\$ 0.01	\$ 0.01
Municipal LED Traffic Signals	\$ -	\$ -

Total Surcharge post-tax*

\$ 0.33	\$ 0.39
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Billing Determinants

Tariff No. 39, Schedule 41

<u>43-mo. kW PLC</u>	<u>29-mo. kW PLC</u>
500,683	346,314

Average usage

Tariff No. 39, Schedule 41

<u>kW PLC</u>	<u>kW PLC</u>
5,742	5,742

Surcharge for average usage

Tariff No. 39, Schedule 41

<u>\$ / month</u>	<u>\$ / month</u>
\$ 1,877.80	\$ 2,235.10

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 44

Tariff No. 39, Schedule 44

Surcharge post-tax*

Custom Technology Applications Program
Commercial Products Efficiency Program
Time of Use with Critical Peak Pricing Program
Commercial HVAC Efficiency Program
Customer Load Response Program
Custom Application Program
Customer Resources Demand Response Program
Distributed Generation Program
Municipal LED Traffic Signals

	\$ / kW PLC	\$ / kW PLC
\$	-	\$ -
\$	-	\$ -
\$	-	\$ -
\$	-	\$ -
\$	0.04	\$ 0.05
\$	0.22	\$ 0.27
\$	0.05	\$ 0.06
\$	0.01	\$ 0.01
\$	-	\$ -

Total Surcharge post-tax*

\$	0.33	\$ 0.39
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Billing Determinants

Tariff No. 39, Schedule 44

43-mo. kW PLC	29-mo. kW PLC
408,523	279,852

Average usage

Tariff No. 39, Schedule 44

kW PLC	kW PLC
9,420	9,420

Surcharge for average usage

Tariff No. 39, Schedule 44

\$ / month	\$ / month
\$ 3,080.57	\$ 3,666.72

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 39, Schedule 46

Tariff No. 39, Schedule 46

	<u>\$/kW PLC</u>	<u>\$/kW PLC</u>
Surcharge post-tax*		
Custom Technology Applications Program	\$ -	\$ -
Commercial Products Efficiency Program	\$ -	\$ -
Time of Use with Critical Peak Pricing Program	\$ -	\$ -
Commercial HVAC Efficiency Program	\$ -	\$ -
Customer Load Response Program	\$ 0.04	\$ 0.05
Custom Application Program	\$ 0.22	\$ 0.27
Customer Resources Demand Response Program	\$ 0.05	\$ 0.06
Distributed Generation Program	\$ 0.01	\$ 0.01
Municipal LED Traffic Signals	\$ -	\$ -
Total Surcharge post-tax*	\$ 0.33	\$ 0.39
Billing Determinants	<u>43-mo. kW PLC</u>	<u>29-mo. kW PLC</u>
Tariff No. 39, Schedule 46	8,954,102	5,949,406
Average usage	<u>kW PLC</u>	<u>kW PLC</u>
Tariff No. 39, Schedule 46	104,943	104,943
Surcharge for average usage	<u>\$/month</u>	<u>\$/month</u>
Tariff No. 39, Schedule 46	\$ 34,318.05	\$ 40,847.92

*includes 5.9% GRT

Levelized Surcharge Summary
Non-Residential
Tariff No. 37

Tariff No. 37

Surcharge post-tax*

	\$/ kW PLC	\$/ kW PLC
Custom Technology Applications Program	\$ -	\$ -
Commercial Products Efficiency Program	\$ 0.12	\$ 0.13
Time of Use with Critical Peak Pricing Program	\$ -	\$ -
Commercial HVAC Efficiency Program	\$ -	\$ -
Customer Load Response Program	\$ 0.04	\$ 0.05
Custom Application Program	\$ 0.22	\$ 0.27
Customer Resources Demand Response Program	\$ 0.05	\$ 0.06
Distributed Generation Program	\$ 0.01	\$ 0.01
Municipal LED Traffic Signals	\$ -	\$ -
Total Surcharge post-tax*	\$ 0.44	\$ 0.52
Billing Determinants	43-mo. kW PLC	29-mo. kW PLC
Tariff No. 37	2,403,778	1,644,849
Average usage	kW PLC	kW PLC
Tariff No. 37	55,464	55,464
Surcharge for average usage	\$/ month	\$/ month
Tariff No. 37	\$ 24,600.88	\$ 28,803.73

*includes 5.9% GRT

Levelized Surcharge Calculation
Residential
Low Income Home Performance Check-Up & Appliance Replacement

Total Program Costs		
Low Income Home Performance Check-Up & Appliance	\$ 5,494,402	\$ 3,469,693
Billing Determinants		
Tariff No. 39, Schedule 10	<u>43-mo. kWh</u> 25,485,145,445	<u>29-mo. kWh</u> 17,098,000,608
Surcharge		
	<u>\$ / kWh</u>	<u>\$ / kWh</u>
Tariff No. 39, Schedule 10 pre-tax	\$ 0.00022	\$ 0.00020
Tariff No. 39, Schedule 10 post-tax*	\$ 0.00023	\$ 0.00022
Average usage		
Tariff No. 39, Schedule 10	<u>kWh</u> 967	<u>kWh</u> 967
Surcharge for average usage		
Tariff No. 39, Schedule 10	<u>\$ / month</u> \$ 0.22	<u>\$ / month</u> \$ 0.21

*includes 5.9% GRT

Levelized Surcharge Calculation
Residential
Low Income Joint Utility Usage Management Program

Total Program Costs		
Low Income Joint Utility Usage Management Program	\$ 6,730,519	\$ 4,250,296
Billing Determinants		
Tariff No. 39, Schedule 10	<u>43-mo. kWh</u> 25,485,145,445	<u>29-mo. kWh</u> 17,098,000,608
Surcharge		
Tariff No. 39, Schedule 10 pre-tax	<u>\$ / kWh</u> \$ 0.00026	<u>\$ / kWh</u> \$ 0.00025
Tariff No. 39, Schedule 10 post-tax*	\$ 0.00028	\$ 0.00026
Average usage		
Tariff No. 39, Schedule 10	<u>kWh</u> 967	<u>kWh</u> 967
Surcharge for average usage		
Tariff No. 39, Schedule 10	<u>\$ / month</u> \$ 0.27	<u>\$ / month</u> \$ 0.26

*includes 5.9% GRT

**Levelized Surcharge Calculation
Residential
Residential Whole Home Appliance Efficiency Program**

Total Program Costs		
Residential Whole Home Appliance Efficiency Program	\$ 3,212,673	\$ 2,028,790
Billing Determinants	43-mo. kWh	29-mo. kWh
Tariff No. 39, Schedule 10	<u>25,485,145,445</u>	<u>17,098,000,608</u>
Surcharge	\$ / kWh	\$ / kWh
Tariff No. 39, Schedule 10 pre-tax	\$ 0.00013	\$ 0.00012
Tariff No. 39, Schedule 10 post-tax*	\$ 0.00013	\$ 0.00013
Average usage	kWh	kWh
Tariff No. 39, Schedule 10	<u>967</u>	<u>967</u>
Surcharge for average usage	\$ / month	\$ / month
Tariff No. 39, Schedule 10	\$ 0.13	\$ 0.12

*includes 5.9% GRT

**Levelized Surcharge Calculation
Residential
Energy Star Appliance Program**

Total Program Costs		
Energy Star Appliance Program	\$ 16,573,857	\$ 10,466,325
Billing Determinants		
Tariff No. 39, Schedule 10	<u>43-mo. kWh</u> 25,485,145,445	<u>29-mo. kWh</u> 17,098,000,608
Surcharge		
Tariff No. 39, Schedule 10 pre-tax	<u>\$ / kWh</u> \$ 0.00065	<u>\$ / kWh</u> \$ 0.00061
Tariff No. 39, Schedule 10 post-tax*	\$ 0.00069	\$ 0.00065
Average usage		
Tariff No. 39, Schedule 10	<u>kWh</u> 967	<u>kWh</u> 967
Surcharge for average usage		
Tariff No. 39, Schedule 10	<u>\$ / month</u> \$ 0.67	<u>\$ / month</u> \$ 0.63

*includes 5.9% GRT

**Levelized Surcharge Calculation
Residential
CFL Rewards Program**

Total Program Costs		
CFL Rewards Program	\$ 3,203,876	\$ 2,023,235
Billing Determinants	<u>43-mo. kWh</u>	<u>29-mo. kWh</u>
Tariff No. 39, Schedule 10	25,485,145,445	17,098,000,608
Surcharge	<u>\$ / kWh</u>	<u>\$ / kWh</u>
Tariff No. 39, Schedule 10 pre-tax	\$ 0.00013	\$ 0.00012
Tariff No. 39, Schedule 10 post-tax*	\$ 0.00013	\$ 0.00013
Average usage	<u>kWh</u>	<u>kWh</u>
Tariff No. 39, Schedule 10	967	967
Surcharge for average usage	<u>\$ / month</u>	<u>\$ / month</u>
Tariff No. 39, Schedule 10	\$ 0.13	\$ 0.12

*includes 5.9% GRT

**Levelized Surcharge Calculation
Residential
Home Performance Program**

Total Program Costs		
Home Performance Program	\$ 9,639,068	\$ 6,087,034
Billing Determinants		
Tariff No. 39, Schedule 10	<u>43-mo. kWh</u> 25,485,145,445	<u>29-mo. kWh</u> 17,098,000,608
Surcharge		
Tariff No. 39, Schedule 10 pre-tax	<u>\$ / kWh</u> \$ 0.00038	<u>\$ / kWh</u> \$ 0.00036
Tariff No. 39, Schedule 10 post-tax*	\$ 0.00040	\$ 0.00038
Average usage		
Tariff No. 39, Schedule 10	<u>kWh</u> 967	<u>kWh</u> 967
Surcharge for average usage		
Tariff No. 39, Schedule 10	<u>\$ / month</u> \$ 0.39	<u>\$ / month</u> \$ 0.37

*includes 5.9% GRT

**Levelized Surcharge Calculation
Residential
Critical Peak Rebate Rate Offering**

Total Program Costs			
Critical Peak Rebate Rate Offering		\$ 1,492,888	\$ 942,753
Billing Determinants			
Tariff No. 39, Schedule 10		<u>43-mo. kWh</u> 25,485,145,445	<u>29-mo. kWh</u> 17,098,000,608
Surcharge			
		<u>\$ / kWh</u>	<u>\$ / kWh</u>
Tariff No. 39, Schedule 10 pre-tax		\$ 0.00006	\$ 0.00006
Tariff No. 39, Schedule 10 post-tax*		\$ 0.00006	\$ 0.00006
Average usage			
		<u>kWh</u>	<u>kWh</u>
Tariff No. 39, Schedule 10		967	967
Surcharge for average usage			
		<u>\$ / month</u>	<u>\$ / month</u>
Tariff No. 39, Schedule 10		\$ 0.06	\$ 0.06

*includes 5.9% GRT

Levelized Surcharge Calculation
Non-Residential
Custom Technology Applications Program

Total Program Costs			Custom Technology Applications Program			Custom Technology Applications Program		
	\$	7,349,682				\$	5,813,297	
Billing Determinants								
		<u>43-mo. kWh</u>	<u>43-mo. kW-kVA</u>	<u>43-mo. kW PLC</u>		<u>29-mo. kWh</u>	<u>29-mo. kW-kVA</u>	<u>29-mo. kW PLC</u>
Tariff No. 39, Schedule 20		0	0	0		0	0	0
Tariff No. 39, Schedule 22		0	0	0		0	0	0
Tariff No. 39, Schedule 30 (small)		6,810,435,123	17,465,663	0		4,675,940,371	11,945,016	0
Tariff No. 39, Schedule 30 (large)		8,521,630,897	20,588,378	17,012,271		5,850,821,161	14,080,684	11,327,694
Tariff No. 39, Schedule 40		0	0	0		0	0	0
Tariff No. 39, Schedule 41		0	0	0		0	0	0
Tariff No. 39, Schedule 44		0	0	0		0	0	0
Tariff No. 39, Schedule 46		0	0	0		0	0	0
Tariff No. 37		0	0	0		0	0	0
Total		15,332,066,020	38,054,041	17,012,271		10,526,761,532	26,025,700	11,327,694
Surcharge pre-tax		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kW PLC</u>		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kW PLC</u>
Tariff No. 39, Schedule 20	\$	-	-	-		-	-	-
Tariff No. 39, Schedule 22	\$	-	-	-		-	-	-
Tariff No. 39, Schedule 30 (small)	\$	0.00031	0.07	-		0.00036	0.08	-
Tariff No. 39, Schedule 30 (large)				\$ 0.24				\$ 0.28
Tariff No. 39, Schedule 40				\$ -				\$ -
Tariff No. 39, Schedule 41				\$ -				\$ -
Tariff No. 39, Schedule 44				\$ -				\$ -
Tariff No. 39, Schedule 46				\$ -				\$ -
Tariff No. 37				\$ -				\$ -
Surcharge post-tax*		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kW PLC</u>		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kW PLC</u>
Tariff No. 39, Schedule 20	\$	-	-	-		-	-	-
Tariff No. 39, Schedule 22	\$	-	-	-		-	-	-
Tariff No. 39, Schedule 30 (small)	\$	0.00033	0.07	-		0.00038	0.08	-
Tariff No. 39, Schedule 30 (large)				\$ 0.25				\$ 0.30
Tariff No. 39, Schedule 40				\$ -				\$ -
Tariff No. 39, Schedule 41				\$ -				\$ -
Tariff No. 39, Schedule 44				\$ -				\$ -
Tariff No. 39, Schedule 46				\$ -				\$ -
Tariff No. 37				\$ -				\$ -
Average usage		<u>kWh</u>	<u>kW-kVA</u>	<u>kW PLC</u>		<u>kWh</u>	<u>kW-kVA</u>	<u>kW PLC</u>
Tariff No. 39, Schedule 20		0	0	0		0	0	0
Tariff No. 39, Schedule 22		0	0	0		0	0	0
Tariff No. 39, Schedule 30 (small)		78,815	203	0		78,815	203	0
Tariff No. 39, Schedule 30 (large)				758				758
Tariff No. 39, Schedule 40				0				0
Tariff No. 39, Schedule 41				0				0
Tariff No. 39, Schedule 44				0				0
Tariff No. 39, Schedule 46				0				0
Tariff No. 37				0				0
Surcharge for average usage		<u>\$/ month</u>				<u>\$/ month</u>		
Tariff No. 39, Schedule 20	\$	-				-		
Tariff No. 39, Schedule 22	\$	-				-		
Tariff No. 39, Schedule 30 (small)	\$	40.64				46.89		
Tariff No. 39, Schedule 30 (large)	\$	191.62				227.63		
Tariff No. 39, Schedule 40	\$	-				-		
Tariff No. 39, Schedule 41	\$	-				-		
Tariff No. 39, Schedule 44	\$	-				-		
Tariff No. 39, Schedule 46	\$	-				-		
Tariff No. 37	\$	-				-		

*includes 5.9% GRT

**Levelized Surcharge Calculation
Non-Residential
Commercial Products Efficiency Program**

Total Program Costs						Total		
Commercial Products Efficiency Program								
\$ 19,419,203						\$ 14,721,514		
Billing Determinants	43-mo. kWh	43-mo. kW-kVA	43-mo kW PLC	29-mo. kWh	29-mo. kW-kVA	29-mo. kW PLC		
Tariff No. 39, Schedule 20	9,441,422.082	0	0	6,401,373.760	0	0		
Tariff No. 39, Schedule 22	166,780,647	0	0	107,557,480	0	0		
Tariff No. 39, Schedule 30 (small)	6,810,435.123	17,465,663	0	4,675,940.371	11,945,016	0		
Tariff No. 39, Schedule 30 (large)	8,521,630.897	20,588,378	17,012,271	5,850,821.161	14,080,684	11,327,694		
Tariff No. 39, Schedule 40	0	0	0	0	0	0		
Tariff No. 39, Schedule 41	0	0	0	0	0	0		
Tariff No. 39, Schedule 44	0	0	0	0	0	0		
Tariff No. 39, Schedule 46	0	0	0	0	0	0		
Tariff No. 37	978,036.963	1,735,656	2,403,778	656,153.000	1,161,239	1,644,849		
Total	25,908,307.712	39,789,697	19,416,049	17,691,845.772	27,186,939	12,972,543		
Surcharge pre-tax	\$/ kWh	\$/ kW-kVA	\$/ kW PLC	\$/ kWh	\$/ kW-kVA	\$/ kW PLC		
Tariff No. 39, Schedule 20	\$ 0.00105	\$ -		\$ 0.00117	\$ -			
Tariff No. 39, Schedule 22	\$ 0.00105	\$ -		\$ 0.00117	\$ -			
Tariff No. 39, Schedule 30 (small)	\$ 0.00058	\$ 0.18		\$ 0.00065	\$ 0.21			
Tariff No. 39, Schedule 30 (large)			\$ 0.11			\$ 0.12		
Tariff No. 39, Schedule 40			\$ -			\$ -		
Tariff No. 39, Schedule 41			\$ -			\$ -		
Tariff No. 39, Schedule 44			\$ -			\$ -		
Tariff No. 39, Schedule 46			\$ -			\$ -		
Tariff No. 37			\$ 0.11			\$ 0.12		
Surcharge post-tax*	\$/ kWh	\$/ kW-kVA	\$/ kW PLC	\$/ kWh	\$/ kW-kVA	\$/ kW PLC		
Tariff No. 39, Schedule 20	\$ 0.00112	\$ -		\$ 0.00125	\$ -			
Tariff No. 39, Schedule 22	\$ 0.00112	\$ -		\$ 0.00125	\$ -			
Tariff No. 39, Schedule 30 (small)	\$ 0.00062	\$ 0.19		\$ 0.00069	\$ 0.22			
Tariff No. 39, Schedule 30 (large)			\$ 0.12			\$ 0.13		
Tariff No. 39, Schedule 40			\$ -			\$ -		
Tariff No. 39, Schedule 41			\$ -			\$ -		
Tariff No. 39, Schedule 44			\$ -			\$ -		
Tariff No. 39, Schedule 46			\$ -			\$ -		
Tariff No. 37			\$ 0.12			\$ 0.13		
Average usage	kWh	kW-kVA	kW PLC	kWh	kW-kVA	kW PLC		
Tariff No. 39, Schedule 20	2,534	0		2,534	0			
Tariff No. 39, Schedule 22	2,607	0		2,607	0			
Tariff No. 39, Schedule 30 (small)	78,815	203		78,815	203			
Tariff No. 39, Schedule 30 (large)			758			758		
Tariff No. 39, Schedule 40			0			0		
Tariff No. 39, Schedule 41			0			0		
Tariff No. 39, Schedule 44			0			0		
Tariff No. 39, Schedule 46			0			0		
Tariff No. 37			55,464			55,464		
Surcharge for average usage	\$/ month			\$/ month				
Tariff No. 39, Schedule 20	\$ 2.84			\$ 3.16				
Tariff No. 39, Schedule 22	\$ 2.92			\$ 3.25				
Tariff No. 39, Schedule 30 (small)	\$ 88.33			\$ 98.60				
Tariff No. 39, Schedule 30 (large)	\$ 88.33			\$ 98.60				
Tariff No. 39, Schedule 40	\$ -			\$ -				
Tariff No. 39, Schedule 41	\$ -			\$ -				
Tariff No. 39, Schedule 44	\$ -			\$ -				
Tariff No. 39, Schedule 46	\$ -			\$ -				
Tariff No. 37	\$ 6,463.22			\$ 7,214.92				

*includes 5.9% GRT

**Levelized Surcharge Calculation
Non-Residential
Municipal LED Traffic Signals**

Total Program Costs							
Municipal LED Traffic Signals		\$	942,848	\$	698,983		
Billing Determinants		<u>43-mo. kWh</u>	<u>43-mo. kW-kVA</u>	<u>29-mo. kWh</u>	<u>29-mo. kW-kVA</u>		
Tariff No. 39, Schedule 20		9,441,422,082	0	6,401,373,760	0		
Tariff No. 39, Schedule 22		0	0	0	0		
Tariff No. 39, Schedule 30 (small)		0	0	0	0		
Tariff No. 39, Schedule 30 (large)		0	0	0	0		
Tariff No. 39, Schedule 40		0	0	0	0		
Tariff No. 39, Schedule 41		0	0	0	0		
Tariff No. 39, Schedule 44		0	0	0	0		
Tariff No. 39, Schedule 46		0	0	0	0		
Tariff No. 37		0	0	0	0		
Total		9,441,422,082	0	6,401,373,760	0		
Surcharge pre-tax		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>		
Tariff No. 39, Schedule 20		\$ 0.00010	\$ -	\$ 0.00011	\$ -		
Tariff No. 39, Schedule 22		\$ -	\$ -	\$ -	\$ -		
Tariff No. 39, Schedule 30 (small)		\$ -	\$ -	\$ -	\$ -		
Tariff No. 39, Schedule 30 (large)							
Tariff No. 39, Schedule 40							
Tariff No. 39, Schedule 41							
Tariff No. 39, Schedule 44							
Tariff No. 39, Schedule 46							
Tariff No. 37							
Surcharge post-tax*		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>		
Tariff No. 39, Schedule 20		\$ 0.00011	\$ -	\$ 0.00012	\$ -		
Tariff No. 39, Schedule 22		\$ -	\$ -	\$ -	\$ -		
Tariff No. 39, Schedule 30 (small)		\$ -	\$ -	\$ -	\$ -		
Tariff No. 39, Schedule 30 (large)							
Tariff No. 39, Schedule 40							
Tariff No. 39, Schedule 41							
Tariff No. 39, Schedule 44							
Tariff No. 39, Schedule 46							
Tariff No. 37							
Average usage		<u>kWh</u>	<u>kW-kVA</u>	<u>kWh</u>	<u>kW-kVA</u>		
Tariff No. 39, Schedule 20		2,534	0	2,534	0		
Tariff No. 39, Schedule 22		0	0	0	0		
Tariff No. 39, Schedule 30 (small)		0	0	0	0		
Tariff No. 39, Schedule 30 (large)							
Tariff No. 39, Schedule 40							
Tariff No. 39, Schedule 41							
Tariff No. 39, Schedule 44							
Tariff No. 39, Schedule 46							
Tariff No. 37							
Surcharge for average usage		<u>\$/ month</u>		<u>\$/ month</u>			
Tariff No. 39, Schedule 20		\$ 0.27		\$ 0.29			
Tariff No. 39, Schedule 22		\$ -		\$ -			
Tariff No. 39, Schedule 30 (small)		\$ -		\$ -			
Tariff No. 39, Schedule 30 (large)		\$ -		\$ -			
Tariff No. 39, Schedule 40		\$ -		\$ -			
Tariff No. 39, Schedule 41		\$ -		\$ -			
Tariff No. 39, Schedule 44		\$ -		\$ -			
Tariff No. 39, Schedule 46		\$ -		\$ -			
Tariff No. 37		\$ -		\$ -			

*includes 5.9% GRT

**Levelized Surcharge Calculation
Non-Residential
Time of Use with Critical Peak Pricing Program**

Total Program Costs					
Time of Use with Critical Peak Pricing Program		\$	818,047	\$	615,287
Billing Determinants		<u>43-mo. kWh</u>	<u>43-mo. kW-kVA</u>	<u>29-mo. kWh</u>	<u>29-mo. kW-kVA</u>
Tariff No. 39, Schedule 20		9,441,422,082	0	6,401,373,760	0
Tariff No. 39, Schedule 22		156,780,647	0	107,557,480	0
Tariff No. 39, Schedule 30 (small)		6,810,435,123	17,465,663	4,675,940,371	11,945,016
Tariff No. 39, Schedule 30 (large)		0	0	0	0
Tariff No. 39, Schedule 40		0	0	0	0
Tariff No. 39, Schedule 41		0	0	0	0
Tariff No. 39, Schedule 44		0	0	0	0
Tariff No. 39, Schedule 46		0	0	0	0
Tariff No. 37		0	0	0	0
Total		16,408,637,852	17,465,663	11,184,871,611	11,945,016
Surcharge pre-tax		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>
Tariff No. 39, Schedule 20		\$ 0.00005	\$ -	\$ 0.00006	\$ -
Tariff No. 39, Schedule 22		\$ 0.00005	\$ -	\$ 0.00006	\$ -
Tariff No. 39, Schedule 30 (small)		\$ 0.00000	\$ 0.02	\$ 0.00000	\$ 0.02
Tariff No. 39, Schedule 30 (large)					
Tariff No. 39, Schedule 40					
Tariff No. 39, Schedule 41					
Tariff No. 39, Schedule 44					
Tariff No. 39, Schedule 46					
Tariff No. 37					
Surcharge post-tax*		<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>	<u>\$/ kWh</u>	<u>\$/ kW-kVA</u>
Tariff No. 39, Schedule 20		\$ 0.00005	\$ -	\$ 0.00006	\$ -
Tariff No. 39, Schedule 22		\$ 0.00005	\$ -	\$ 0.00006	\$ -
Tariff No. 39, Schedule 30 (small)		\$ 0.00000	\$ 0.02	\$ 0.00000	\$ 0.02
Tariff No. 39, Schedule 30 (large)					
Tariff No. 39, Schedule 40					
Tariff No. 39, Schedule 41					
Tariff No. 39, Schedule 44					
Tariff No. 39, Schedule 46					
Tariff No. 37					
Average usage		<u>kWh</u>	<u>kW-kVA</u>	<u>kWh</u>	<u>kW-kVA</u>
Tariff No. 39, Schedule 20		2,534	0	2,534	0
Tariff No. 39, Schedule 22		2,607	0	2,607	0
Tariff No. 39, Schedule 30 (small)		78,815	203	78,815	203
Tariff No. 39, Schedule 30 (large)					
Tariff No. 39, Schedule 40					
Tariff No. 39, Schedule 41					
Tariff No. 39, Schedule 44					
Tariff No. 39, Schedule 46					
Tariff No. 37					
Surcharge for average usage		<u>\$/ month</u>		<u>\$/ month</u>	
Tariff No. 39, Schedule 20		\$ 0.13		\$ 0.15	
Tariff No. 39, Schedule 22		\$ 0.14		\$ 0.15	
Tariff No. 39, Schedule 30 (small)		\$ 4.18		\$ 4.63	
Tariff No. 39, Schedule 30 (large)		\$ -		\$ -	
Tariff No. 39, Schedule 40		\$ -		\$ -	
Tariff No. 39, Schedule 41		\$ -		\$ -	
Tariff No. 39, Schedule 44		\$ -		\$ -	
Tariff No. 39, Schedule 46		\$ -		\$ -	
Tariff No. 37		\$ -		\$ -	

*includes 5.9% GRT

**Levelized Surcharge Calculation
Non-Residential
Commercial HVAC Efficiency Program**

Total Program Costs				
Commercial HVAC Efficiency Program	\$	2,202,113	\$	1,656,302
Billing Determinants		<u>43-mo. kWh</u>	<u>43-mo. kW-kVA</u>	<u>29-mo. kWh</u> <u>29-mo. kW-kVA</u>
Tariff No. 39, Schedule 20		9,441,422,082	0	6,401,373,760 0
Tariff No. 39, Schedule 22		156,780,647	0	107,557,480 0
Tariff No. 39, Schedule 30 (small)		6,810,435,123	17,465,663	4,675,940,371 11,945,016
Tariff No. 39, Schedule 30 (large)		0	0	0 0
Tariff No. 39, Schedule 40		0	0	0 0
Tariff No. 39, Schedule 41		0	0	0 0
Tariff No. 39, Schedule 44		0	0	0 0
Tariff No. 39, Schedule 46		0	0	0 0
Tariff No. 37		0	0	0 0
Total		16,408,637,852	17,465,663	11,184,871,611 11,945,016
Surcharge pre-tax		<u>\$ / kWh</u>	<u>\$ / kW-kVA</u>	<u>\$ / kWh</u> <u>\$ / kW-kVA</u>
Tariff No. 39, Schedule 20	\$	0.00013	\$ -	\$ 0.00015 \$ -
Tariff No. 39, Schedule 22	\$	0.00013	\$ -	\$ 0.00015 \$ -
Tariff No. 39, Schedule 30 (small)	\$	0.00002	\$ 0.05	\$ 0.00002 \$ 0.05
Tariff No. 39, Schedule 30 (large)				
Tariff No. 39, Schedule 40				
Tariff No. 39, Schedule 41				
Tariff No. 39, Schedule 44				
Tariff No. 39, Schedule 46				
Tariff No. 37				
Surcharge post-tax*		<u>\$ / kWh</u>	<u>\$ / kW-kVA</u>	<u>\$ / kWh</u> <u>\$ / kW-kVA</u>
Tariff No. 39, Schedule 20	\$	0.00014	\$ -	\$ 0.00016 \$ -
Tariff No. 39, Schedule 22	\$	0.00014	\$ -	\$ 0.00016 \$ -
Tariff No. 39, Schedule 30 (small)	\$	0.00002	\$ 0.05	\$ 0.00002 \$ 0.05
Tariff No. 39, Schedule 30 (large)				
Tariff No. 39, Schedule 40				
Tariff No. 39, Schedule 41				
Tariff No. 39, Schedule 44				
Tariff No. 39, Schedule 46				
Tariff No. 37				
Average usage		<u>kWh</u>	<u>kW-kVA</u>	<u>kWh</u> <u>kW-kVA</u>
Tariff No. 39, Schedule 20		2,534	0	2,534 0
Tariff No. 39, Schedule 22		2,607	0	2,607 0
Tariff No. 39, Schedule 30 (small)		78,815	203	78,815 203
Tariff No. 39, Schedule 30 (large)				
Tariff No. 39, Schedule 40				
Tariff No. 39, Schedule 41				
Tariff No. 39, Schedule 44				
Tariff No. 39, Schedule 46				
Tariff No. 37				
Surcharge for average usage		<u>\$ / month</u>		<u>\$ / month</u>
Tariff No. 39, Schedule 20	\$	0.36		\$ 0.40
Tariff No. 39, Schedule 22	\$	0.37		\$ 0.41
Tariff No. 39, Schedule 30 (small)	\$	11.26		\$ 12.47
Tariff No. 39, Schedule 30 (large)	\$	-		\$ -
Tariff No. 39, Schedule 40	\$	-		\$ -
Tariff No. 39, Schedule 41	\$	-		\$ -
Tariff No. 39, Schedule 44	\$	-		\$ -
Tariff No. 39, Schedule 46	\$	-		\$ -
Tariff No. 37	\$	-		\$ -

*includes 5.9% GRT.

**Levelized Surcharge Calculation
Non-Residential
Customer Load Response Program**

Total Program Costs

Customer Load Response Program

\$ 2,450,280

\$ 1,944,623

Billing Determinants

	43-mo. kWh	43-mo. kW-KVA	43-mo. kW PLC	29-mo. kWh	29-mo. kW-KVA	29-mo. kW PLC
Tariff No. 39, Schedule 20	0	0	0	0	0	0
Tariff No. 39, Schedule 22	0	0	0	0	0	0
Tariff No. 39, Schedule 30 (small)	6,810,435,123	17,465,663	0	4,675,940,371	11,945,016	0
Tariff No. 39, Schedule 30 (large)	8,521,630,897	20,588,378	17,012,271	5,850,821,161	14,080,684	11,327,694
Tariff No. 39, Schedule 40	13,455,301,623	27,561,907	22,105,254	9,164,056,068	18,906,791	14,945,189
Tariff No. 39, Schedule 41	276,656,309	793,059	500,683	187,313,647	526,180	346,314
Tariff No. 39, Schedule 44	243,431,187	396,039	408,523	167,114,091	275,571	279,852
Tariff No. 39, Schedule 46	6,067,819,628	13,516,955	8,954,102	4,243,671,782	9,579,934	5,949,406
Tariff No. 37	978,038,963	1,735,656	2,403,778	656,153,000	1,161,239	1,644,849

Total

36,353,313,730 82,057,657 51,384,611 24,945,070,120 56,475,415 34,493,304

Surcharge pre-tax

	\$/ kWh	\$/ kW-KVA	\$/ kW PLC	\$/ kWh	\$/ kW-KVA	\$/ kW PLC
Tariff No. 39, Schedule 20	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 22	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 30 (small)	\$ 0.00000	\$ 0.03		\$ 0.00000	\$ 0.03	
Tariff No. 39, Schedule 30 (large)			\$ 0.04			\$ 0.04
Tariff No. 39, Schedule 40			\$ 0.04			\$ 0.04
Tariff No. 39, Schedule 41			\$ 0.04			\$ 0.04
Tariff No. 39, Schedule 44			\$ 0.04			\$ 0.04
Tariff No. 39, Schedule 46			\$ 0.04			\$ 0.04
Tariff No. 37			\$ 0.04			\$ 0.04

Surcharge post-tax*

	\$/ kWh	\$/ kW-KVA	\$/ kW PLC	\$/ kWh	\$/ kW-KVA	\$/ kW PLC
Tariff No. 39, Schedule 20	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 22	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 30 (small)	\$ 0.00000	\$ 0.03		\$ 0.00000	\$ 0.04	
Tariff No. 39, Schedule 30 (large)			\$ 0.04			\$ 0.05
Tariff No. 39, Schedule 40			\$ 0.04			\$ 0.05
Tariff No. 39, Schedule 41			\$ 0.04			\$ 0.05
Tariff No. 39, Schedule 44			\$ 0.04			\$ 0.05
Tariff No. 39, Schedule 46			\$ 0.04			\$ 0.05
Tariff No. 37			\$ 0.04			\$ 0.05

Average usage

	kWh	kW-KVA	kW PLC	kWh	kW-KVA	kW PLC
Tariff No. 39, Schedule 20	0	0		0	0	
Tariff No. 39, Schedule 22	0	0		0	0	
Tariff No. 39, Schedule 30 (small)	78,815	203		78,815	203	
Tariff No. 39, Schedule 30 (large)			758			758
Tariff No. 39, Schedule 40			4,447			4,447
Tariff No. 39, Schedule 41			5,742			5,742
Tariff No. 39, Schedule 44			9,420			9,420
Tariff No. 39, Schedule 46			104,943			104,943
Tariff No. 37			55,464			55,464

Surcharge for average usage

	\$/ month	\$/ month
Tariff No. 39, Schedule 20	\$ -	\$ -
Tariff No. 39, Schedule 22	\$ -	\$ -
Tariff No. 39, Schedule 30 (small)	\$ 6.42	\$ 7.40
Tariff No. 39, Schedule 30 (large)	\$ 30.24	\$ 35.82
Tariff No. 39, Schedule 40	\$ 177.45	\$ 210.14
Tariff No. 39, Schedule 41	\$ 229.12	\$ 271.33
Tariff No. 39, Schedule 44	\$ 375.87	\$ 445.13
Tariff No. 39, Schedule 46	\$ 4,187.24	\$ 4,958.80
Tariff No. 37	\$ 2,213.02	\$ 2,620.81

*includes 5.9% GRT

**Levelized Surcharge Calculation
Non-Residential
Custom Application Program**

Total Program Costs								
Custom Application Program		\$	10,780,920				\$	8,634,303
Billing Determinants		43-mo. kWh	43-mo. kW-kVA	43-mo. kW PLC	29-mo. kWh	29-mo. kW-kVA	29-mo. kW PLC	
Tariff No. 39, Schedule 20		0	0	0	0	0	0	
Tariff No. 39, Schedule 22		0	0	0	0	0	0	
Tariff No. 39, Schedule 30 (small)		0	0	0	0	0	0	
Tariff No. 39, Schedule 30 (large)		8,521,630,897	20,588,378	17,012,271	5,850,821,161	14,080,684	11,327,694	
Tariff No. 39, Schedule 40		13,455,301,623	27,561,907	22,105,254	9,164,056,068	18,906,791	14,945,189	
Tariff No. 39, Schedule 41		276,656,309	793,059	500,683	187,313,647	526,180	346,314	
Tariff No. 39, Schedule 44		243,431,187	396,039	408,523	167,114,091	275,571	279,852	
Tariff No. 39, Schedule 46		6,067,819,628	13,516,955	8,954,102	4,243,671,782	9,579,934	5,949,406	
Tariff No. 37		978,038,963	1,735,656	2,403,778	656,153,000	1,161,239	1,644,849	
Total		29,542,875,607	64,591,994	51,384,611	20,269,129,749	44,530,399	34,493,304	
Surcharge pre-tax		\$/ kWh	\$/ kW-kVA	\$/ kW PLC	\$/ kWh	\$/ kW-kVA	\$/ kW PLC	
Tariff No. 39, Schedule 20		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 22		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 30 (small)		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 30 (large)				\$ 0.21			\$ 0.25	
Tariff No. 39, Schedule 40				\$ 0.21			\$ 0.25	
Tariff No. 39, Schedule 41				\$ 0.21			\$ 0.25	
Tariff No. 39, Schedule 44				\$ 0.21			\$ 0.25	
Tariff No. 39, Schedule 46				\$ 0.21			\$ 0.25	
Tariff No. 37				\$ 0.21			\$ 0.25	
Surcharge post-tax*		\$/ kWh	\$/ kW-kVA	\$/ kW PLC	\$/ kWh	\$/ kW-kVA	\$/ kW PLC	
Tariff No. 39, Schedule 20		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 22		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 30 (small)		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 30 (large)				\$ 0.22			\$ 0.27	
Tariff No. 39, Schedule 40				\$ 0.22			\$ 0.27	
Tariff No. 39, Schedule 41				\$ 0.22			\$ 0.27	
Tariff No. 39, Schedule 44				\$ 0.22			\$ 0.27	
Tariff No. 39, Schedule 46				\$ 0.22			\$ 0.27	
Tariff No. 37				\$ 0.22			\$ 0.27	
Average usage		kWh	kW-kVA	kW PLC	kWh	kW-kVA	kW PLC	
Tariff No. 39, Schedule 20		0	0		0	0		
Tariff No. 39, Schedule 22		0	0		0	0		
Tariff No. 39, Schedule 30 (small)		0	0		0	0		
Tariff No. 39, Schedule 30 (large)				758			758	
Tariff No. 39, Schedule 40				4,447			4,447	
Tariff No. 39, Schedule 41				5,742			5,742	
Tariff No. 39, Schedule 44				9,420			9,420	
Tariff No. 39, Schedule 46				104,943			104,943	
Tariff No. 37				55,464			55,464	
Surcharge for average usage		\$/ month				\$/ month		
Tariff No. 39, Schedule 20		\$ -				\$ -		
Tariff No. 39, Schedule 22		\$ -				\$ -		
Tariff No. 39, Schedule 30 (small)		\$ -				\$ -		
Tariff No. 39, Schedule 30 (large)		\$ 169.01				\$ 201.64		
Tariff No. 39, Schedule 40		\$ 991.57				\$ 1,183.03		
Tariff No. 39, Schedule 41		\$ 1,280.31				\$ 1,527.51		
Tariff No. 39, Schedule 44		\$ 2,100.37				\$ 2,505.91		
Tariff No. 39, Schedule 46		\$ 23,398.48				\$ 27,916.27		
Tariff No. 37		\$ 12,366.48				\$ 14,754.21		

*includes 5.9% GRT

**Levelized Surcharge Calculation
Non-Residential
Customer Resources Demand Response Program**

Total Program Costs

Customer Resources Demand Response Program \$ 3,255,443

\$ 2,583,627

Billing Determinants	43-mo. kWh	43-mo. kW-kVA	43-mo. kW PLC	29-mo. kWh	29-mo. kW-kVA	29-mo. kW PLC
Tariff No. 39, Schedule 20	0	0	0	0	0	0
Tariff No. 39, Schedule 22	0	0	0	0	0	0
Tariff No. 39, Schedule 30 (small)	6,810,435,123	17,465,663	0	4,675,940,371	11,945,016	0
Tariff No. 39, Schedule 30 (large)	8,521,630,897	20,588,378	17,012,271	5,850,821,161	14,060,684	11,327,694
Tariff No. 39, Schedule 40	13,455,301,623	27,561,907	22,105,254	9,164,056,068	18,906,791	14,945,189
Tariff No. 39, Schedule 41	276,656,309	793,059	500,683	187,313,647	526,180	346,314
Tariff No. 39, Schedule 44	243,431,187	396,039	408,523	167,114,091	275,571	279,852
Tariff No. 39, Schedule 46	6,067,819,628	13,516,955	8,954,102	4,243,671,782	9,579,934	5,949,406
Tariff No. 37	978,038,963	1,735,656	2,403,778	656,153,000	1,161,239	1,644,849

Total 36,353,313,730 82,057,657 51,384,611 24,945,070,120 56,475,415 34,493,304

Surcharge pre-tax

	\$/kWh	\$/kW-kVA	\$/kW PLC	\$/kWh	\$/kW-kVA	\$/kW PLC
Tariff No. 39, Schedule 20	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 22	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 30 (small)	\$ 0.00000	\$ 0.04		\$ 0.00000	\$ 0.05	
Tariff No. 39, Schedule 30 (large)			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 40			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 41			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 44			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 46			\$ 0.05			\$ 0.06
Tariff No. 37			\$ 0.05			\$ 0.06

Surcharge post-tax*

	\$/kWh	\$/kW-kVA	\$/kW PLC	\$/kWh	\$/kW-kVA	\$/kW PLC
Tariff No. 39, Schedule 20	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 22	\$ -	\$ -		\$ -	\$ -	
Tariff No. 39, Schedule 30 (small)	\$ 0.00000	\$ 0.04		\$ 0.00000	\$ 0.05	
Tariff No. 39, Schedule 30 (large)			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 40			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 41			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 44			\$ 0.05			\$ 0.06
Tariff No. 39, Schedule 46			\$ 0.05			\$ 0.06
Tariff No. 37			\$ 0.05			\$ 0.06

Average usage

	kWh	kW-kVA	kW PLC	kWh	kW-kVA	kW PLC
Tariff No. 39, Schedule 20	0	0		0	0	
Tariff No. 39, Schedule 22	0	0		0	0	
Tariff No. 39, Schedule 30 (small)	78,815	203		78,815	203	
Tariff No. 39, Schedule 30 (large)			758			758
Tariff No. 39, Schedule 40			4,447			4,447
Tariff No. 39, Schedule 41			5,742			5,742
Tariff No. 39, Schedule 44			9,420			9,420
Tariff No. 39, Schedule 46			104,943			104,943
Tariff No. 37			55,464			55,464

Surcharge for average usage

	\$/month	\$/month
Tariff No. 39, Schedule 20	\$ -	\$ -
Tariff No. 39, Schedule 22	\$ -	\$ -
Tariff No. 39, Schedule 30 (small)	\$ 8.53	\$ 9.83
Tariff No. 39, Schedule 30 (large)	\$ 40.18	\$ 47.59
Tariff No. 39, Schedule 40	\$ 235.75	\$ 279.19
Tariff No. 39, Schedule 41	\$ 304.40	\$ 360.49
Tariff No. 39, Schedule 44	\$ 499.38	\$ 591.40
Tariff No. 39, Schedule 46	\$ 5,563.17	\$ 6,588.26
Tariff No. 37	\$ 2,940.23	\$ 3,482.00

*includes 5.9% GRT

**Levelized Surcharge Calculation
Non-Residential
Distributed Generation Program**

Total Program Costs								
Distributed Generation Program		\$	684,171				\$	542,981
Billing Determinants		43-mo. kWh	43-mo. kW-kVA	43-mo. kW PLC	29-mo. kWh	29-mo. kW-kVA	29-mo. kW PLC	
Tariff No. 39, Schedule 20		0	0	0	0	0	0	
Tariff No. 39, Schedule 22		0	0	0	0	0	0	
Tariff No. 39, Schedule 30 (small)		6,810,435,123	17,465,863	0	4,675,940,371	11,945,016	0	
Tariff No. 39, Schedule 30 (large)		8,521,630,897	20,588,378	17,012,271	5,850,821,161	14,080,684	11,327,694	
Tariff No. 39, Schedule 40		13,455,301,623	27,561,907	22,105,254	9,164,056,068	18,906,791	14,945,189	
Tariff No. 39, Schedule 41		276,656,309	793,059	500,683	187,313,647	526,180	346,314	
Tariff No. 39, Schedule 44		243,431,187	396,039	408,523	167,114,091	275,571	279,852	
Tariff No. 39, Schedule 46		6,067,819,628	13,516,955	8,954,102	4,243,671,782	9,579,934	5,949,406	
Tariff No. 37		978,038,963	1,735,656	2,403,778	656,153,000	1,161,239	1,644,849	
Total		36,353,313,730	82,057,657	51,384,611	24,945,070,120	56,475,415	34,493,304	
Surcharge pre-tax		\$/kWh	\$/kW-kVA	\$/kW PLC	\$/kWh	\$/kW-kVA	\$/kW PLC	
Tariff No. 39, Schedule 20		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 22		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 30 (small)		\$ 0.00000	\$ 0.01		\$ 0.00000	\$ 0.01		
Tariff No. 39, Schedule 30 (large)				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 40				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 41				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 44				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 46				\$ 0.01			\$ 0.01	
Tariff No. 37				\$ 0.01			\$ 0.01	
Surcharge post-tax*		\$/kWh	\$/kW-kVA	\$/kW PLC	\$/kWh	\$/kW-kVA	\$/kW PLC	
Tariff No. 39, Schedule 20		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 22		\$ -	\$ -		\$ -	\$ -		
Tariff No. 39, Schedule 30 (small)		\$ 0.00000	\$ 0.01		\$ 0.00000	\$ 0.01		
Tariff No. 39, Schedule 30 (large)				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 40				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 41				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 44				\$ 0.01			\$ 0.01	
Tariff No. 39, Schedule 46				\$ 0.01			\$ 0.01	
Tariff No. 37				\$ 0.01			\$ 0.01	
Average usage		kWh	kW-kVA	kW PLC	kWh	kW-kVA	kW PLC	
Tariff No. 39, Schedule 20		0	0		0	0		
Tariff No. 39, Schedule 22		0	0		0	0		
Tariff No. 39, Schedule 30 (small)		78,815	203		78,815	203		
Tariff No. 39, Schedule 30 (large)				758			758	
Tariff No. 39, Schedule 40				4,447			4,447	
Tariff No. 39, Schedule 41				5,742			5,742	
Tariff No. 39, Schedule 44				9,420			9,420	
Tariff No. 39, Schedule 46				104,943			104,943	
Tariff No. 37				55,464			55,464	
Surcharge for average usage		\$/ month			\$/ month			
Tariff No. 39, Schedule 20		\$ -			\$ -			
Tariff No. 39, Schedule 22		\$ -			\$ -			
Tariff No. 39, Schedule 30 (small)		\$ 1.79			\$ 2.07			
Tariff No. 39, Schedule 30 (large)		\$ 8.44			\$ 10.00			
Tariff No. 39, Schedule 40		\$ 49.55			\$ 58.68			
Tariff No. 39, Schedule 41		\$ 63.97			\$ 75.76			
Tariff No. 39, Schedule 44		\$ 104.95			\$ 124.29			
Tariff No. 39, Schedule 46		\$ 1,169.17			\$ 1,384.60			
Tariff No. 37		\$ 617.92			\$ 731.79			

*includes 5.9% GRT

WEST PENN POWER COMPANY

Supplement No. ____ to
 Electric-Pa. P. U. C. No. 39
 _____ Revised Page No. 5-9
 Canceling _____ Revised Page No. 5-9

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

In addition to the charges provided in this Tariff and in accordance with 66 Pa. C.S. §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 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				
Rate Schedule	Rate per kWh	Rate per kW	Rate per kW PLC	
10	\$0.00182			(D)
20	\$0.00158			(I)
22	\$0.00146			(I)
30 (small)*	\$0.00110	\$0.47		(I)
30 (large)*			\$0.82	(I)
40			\$0.39	(I)
41			\$0.39	(I)
44			\$0.39	(I)
46			\$0.39	(I)

*Rate Schedule 30 (small) defined as Customers receiving service under Rate Schedule 30 with a Kilowatt Demand less than 500 kilowatts, and Rate Schedule 30 (large) defined as Customers receiving service under Rate Schedule 30 with a Kilowatt Demand greater than or equal to 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.

(I) Indicates Increase
 (D) Indicates Decrease

Issued _____

Effective _____

WEST PENN POWER COMPANY

Supplement No. ____ to
 Electric-Pa. P. U. C. No. 39
 _____ Revised Page No. 5-10
 Canceling _____ Revised Page No. 5-10

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

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 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.

Issued _____

Effective _____

WEST PENN POWER COMPANY

Supplement No. ___ to
 Electric-Pa. P. U. C. No. 37
 _____ Revised Page No. 5-4
 Canceling _____ Revised Page No. 5-4

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

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 this Tariff to recover costs allocated to this Tariff. 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 Tariff 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 through May 2013. The surcharge is calculated by separating the Program Costs allocated to this Tariff and dividing by forecasted distribution PLC demand sales. 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.

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

EE&C SURCHARGE

Rate per kW PLC
 \$0.52

(1)

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 this Tariff. 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 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.

(1) Indicates Increase

Issued _____

Effective _____

RECEIVED

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

SEP 10 2010

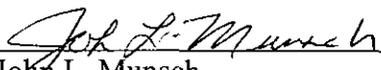
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that on the 10th day of September, 2010, a true copy of a clean and black-lined version of the **Amended Energy Efficiency and Conservation Plan** and a copy of the **Petition for Approval** of West Penn Power Company d/b/a Allegheny Power were served by FedEx Next Day upon the following:

<p>John F. Povilaitis, Esq. Ryan, Russell, Ogden & Seltzer 800 North Third St., Ste 101 Harrisburg, PA 17102-2025 jpovilaitis@ryanrussell.com</p>	<p>Thomas J. Sniscak, Esq. Lillian S. Harris, Esq. Hawke McKeon & Sniscak, LLP 100 North Tenth St. Harrisburg, PA 17105-1778 lharris@hmslegal.com tjsniscak@hmslegal.com</p>
<p>Mark C. Morrow, Esq. UGI Utilities, Inc. 460 North Gulph Road King of Prussia, PA 19406 morrowm@ugicorp.com</p>	<p>Richard A. Kanaskie, Esq. Adeolu A. Bakare, Esq Office of Trial Staff Commonwealth Keystone Building P.O. Box 3265 Harrisburg, PA 17105-3265 rkanaskie@state.pa.us abakare@state.pa.us</p>
<p>George Jugovic, Esq. Scott Perry, Esq. Aspassia V. Staevska, Esq. Department of Environmental Protection RCSOB, 9th Floor 400 Market Street Harrisburg, PA 17101-2301 gjugovic@state.pa.us scperry@state.pa.us astaevska@state.pa.us</p>	<p>Christy M. Appleby, Esq. Tanya J. McCloskey, Esq. Office of Consumer Advocate Forum Place, 5th Floor 555 Walnut Street Harrisburg, PA 17101-1023 cappleby@paoca.org tmccloskey@paoca.org</p>
<p>Derrick P. Williamson, Esq. Adam L. Benshoff, Esq. Shelby A. Linton-Keddie, Esq. McNees Wallace & Nurick, LLC 100 Pine St. PO Box 1166 Harrisburg, PA 17108-1166 dwilliamson@mwn.com abenshoff@mwn.com skeddie@mwn.com</p>	<p>Lauren Lepkoski, Esq. Office of Small Business Advocate Commerce Building, Ste 1102 300 North Second Street Harrisburg, PA 17101 llepkoski@state.pa.us</p>

<p>Harry S. Geller, Esq. John C. Gerhard, Esq. Pennsylvania Utility Law Project 118 Locust St. Harrisburg, PA 17101-1414 hgellerpulp@palegalaid.net jgerhardpulp@palegalaid.net</p>	<p>Daniel Clearfield, Esq. Kevin J. Moody, Esq. Eckert Seamans Cherin & Mellott, LLC 213 Market Street, 8th Flr Harrisburg, PA 17108-1248 dclearfield@eckertseamans.com kmoody@eckertseamans.com</p>
<p>Thomas T. Niesen, Esq. Charles E. Thomas, Jr., Esq. Thomas Long Niesen & Kennard PO Box 9500 212 Locust St., Ste 500 Harrisburg, PA 17108-9500 tniesen@titanlaw.com cthomasjr@titanlaw.com</p>	<p>Theodore J. Gallagher, Esq. NiSource Corporate Services Company 501 Technology Dr. Canonsburg, PA 15317 tjgallagher@nisource.com</p>
<p>Christopher R. Sharp, Esq. Christopher A. Lewis, Esq. Blank Rone, LLP One Logan Square Philadelphia, PA 19103 sharp@blankrome.com lewis@blankrome.com</p>	<p>Scott H. DeBroff, Esq. Rhoads & Simon LLP M&T Bank Bldg, 12th Flr One South Market Sq. Harrisburg, PA 17108 sdebroff@rhoads-sinon.com</p>
<p>Mr. Robert D. Knecht Industrial Economics Incorporated 2067 Massachusetts Avenue Cambridge, MA 02140 rdk@indecon.com</p>	<p style="text-align: center;">RECEIVED</p> <p style="text-align: center;">SEP 10 2010</p> <p style="text-align: center;">PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU</p>



John L. Munsch
Attorney for
WEST PENN POWER COMPANY

From: Origin ID: CVAA (724) 838-6269
Hope Riddle
Allegheny Power
800 Cabin Hill Drive



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Greensburg, PA 15601

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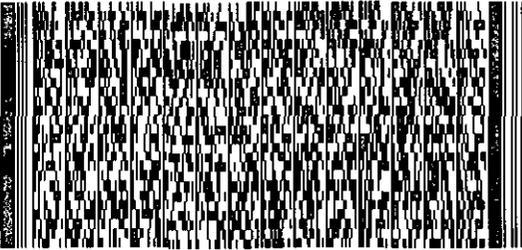
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Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commiss
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

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Dept #

RELEASE#: 3785346

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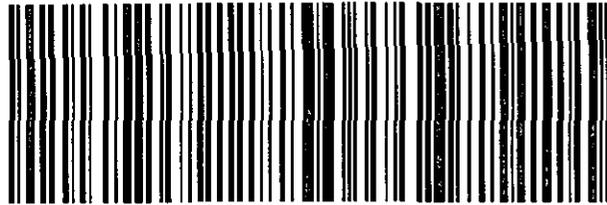


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