

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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

IRWINA. POPOWSKY
Consumer Advocate

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

March 10, 2011

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Joint Petition of Metropolitan Edison
Company, Pennsylvania Electric Company
and Pennsylvania Power Company for
Amendment of the Orders Approving
Energy Efficiency and Conservation Plans
and Petition for Approval of First Amended
Energy Efficiency and Conservation Plans
Docket Nos. M-2009-209222
M-2009-2112952
M-2009-2112956

Dear Secretary Chiavetta:

Enclosed for filing is the Answer of the Office of Consumer Advocate, in the above
referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Aron J. Beatty'.

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625

Enclosure

cc: Administrative Law Judge
Office of Special Assistants

00140092.docx

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company for Amendment of the Orders Approving Energy Efficiency and Conservation Plans and Petition for Approval of First Amended Energy Efficiency and Conservation Plans	:		
	:	Docket Nos.	M-2009-2092222
	:		M-2009-2112952
	:		M-2009-2112956

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

On February 18, 2011, the Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company (the FirstEnergy Companies) filed two Joint Petitions concerning their Energy Efficiency and Conservation (EE&C) plans. In both Petitions, the Companies requested Commission approval to modify their EE&C plans. The Companies have termed the petitions as the “Expedited Petition”¹ and the “Main Petition.”² Both Petitions are supported by testimony filed with the Main Petition. The Office of Consumer Advocate

¹ RE: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company for Expedited Approval of Amendments to the Residential HVAC Program and Government & Institutional Components of the C/I Equipment Programs, Docket Nos. M-2009-2092222, M-2009-2112952 and M-2009-2112956. The Petition was filed February 18, 2011, and seeks Commission approval no later than March 17, 2011.

² RE: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company for Amendment of the Orders Approving Energy Efficiency and Conservation Plans and Petition for Approval of First Amended Energy Efficiency and Conservation Plans, Docket Nos. M-2009-2092222, M-2009-2112952 and M-2009-2112956. The Petition was filed February 18, 2011, and seeks Commission approval no later than May 19, 2011.

(OCA) has reviewed both Petitions and is filing this Answer to the *Main Petition*. The OCA filed a separate Answer to the Expedited Petition on Monday, March 7, 2011.

The FirstEnergy Companies have proposed changes in their EE&C Plan for all customer groups. As stated by the Companies, the proposed changes for large C&I programs includes an increase in the existing budget. For all other programs, the Companies are proposing to shift funds from under-performing programs to other programs or components of programs. Petition at ¶20. The OCA supports the Companies' efforts to modify and adjust the program offerings in order to gain the greatest benefit for customers while achieving the mandated reductions. The OCA has participated in the FirstEnergy stakeholder process (see Petition at ¶18), and commends the Companies for their continued focus on improving their EE&C Plans.

The Main Petition includes a number of changes, some significant and some minor. For Residential Customers, the Companies propose to:

- Consolidate the Residential Whole Building Comprehensive Program with the Home Energy Audit and Outreach Program;
- Add a new Behavioral Modification Program;
- Increase incentives for residential air conditioner and heat pump tune-ups;³
- Alter the upstream incentives for CFLs to increase market penetration;
- Add Energy Conservation Kits for multi-family residential and master-metered facilities; and
- Replace the Pump and Motor Single Speed with a Variable Speed Pool Pump and increase the incentive level.

Petition at ¶29.

³ This measure is the subject of the Expedited Petition.

For Large C&I customers, the Companies propose to:

- Increase the Companies' budgets for Large C&I customers primarily to make up the 11% deficit in peak demand reduction savings created by the loss factor adjustment and to add funds to the Large C&I Equipment Program;
- Consolidate the Industrial Motors and Variable Speed Drive Program with the Large C&I Equipment Program; and
- Alter the incentive structure and incentive level for the Large C&I lighting component of the C&I Equipment Program.

Petition at ¶¶23-26.

For Small C&I customers, the Companies propose to:

- Expand the peak load reduction program to include the Small C&I class;
- Alter the incentive structure and incentive level for the Small C&I lighting component of the C&I Equipment Program;
- Add a direct install component to the Small C&I Equipment Program that will target strip malls, small grocery stores and certain restaurants;
- Consolidate the Energy Audit and Technical Assessment Program with the Small C&I Equipment Program; and
- Add a new energy conservation kit to the Small C&I Equipment Program through opt-in distribution.

Petition at ¶¶27-28.

For Government customers, the Companies propose to:

- Increase incentive levels consistent with the levels offered to Large C&I customers and Small C&I customers.⁴

Petition at ¶30.

In addition to these changes, the Companies propose changes to the EEC-C Rider and the Company is proposing “changes to streamline administration” of their Plans. Petition at ¶¶32-40. As part of this process, the Companies are proposing modifications that would allow for “future changes to programs without the need to seek further Commission approval.” *Id.*

Given some of the significant changes proposed by the Companies, and the request for a streamlined approval process for certain modifications, the OCA submits that further consideration and evaluation of the significant changes may be necessary. While the OCA recognizes the need for the Companies to have flexibility to make more modest changes during the implementation of their Plans, the OCA is concerned that the Companies not be permitted to make significant changes to the actual Plans without an appropriate review process.

⁴ This measure is the subject of the Expedited Petition.

The OCA respectfully submits that the Commission and parties must have the opportunity to address the major changes in both this Main Petition and the Expedited Petition.

Respectfully Submitted,



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

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: March 10, 2011

00140247.docx

CERTIFICATE OF SERVICE

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company	:	Docket Nos. M-2009-2092222
and Pennsylvania Power Company for	:	M-2009-2112952
Amendment of the Orders Approving Energy	:	M-2009-2112956
Efficiency and Conservation Plans and Petition	:	
for Approval of First Amended Energy	:	
Efficiency and Conservation Plans	:	

I hereby certify that I have this day served a true copy of the foregoing document, Answer of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 10th day of March 2011.

SERVICE BY E-MAIL and INTEROFFICE MAIL

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

SERVICE BY E-MAIL and FIRST CLASS MAIL

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

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

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

Harry S. Geller, Esquire
Julie Georg, Esquire
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101-1414
Counsel for: *Pennsylvania Communities Organizing for Change*

Daniel Clearfield, Esquire
Kevin J. Moody, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
P.O. Box 1248
Harrisburg, PA 17108-1248
Counsel for: *Direct Energy Business, LLC*

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

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

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

Kurt E. Klapkowski, Assistant Counsel
Commonwealth of Pennsylvania
RCSOB, 9th Floor
400 Market Street
Harrisburg, PA 17101
Counsel for: *Department of Environmental Protection*

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

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

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

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

SERVICE BY FIRST CLASS MAIL

Carolyn Pengidore
Clearchoice Energy
180 Fort Couch Road, Suite 265
Pittsburgh, PA 15241

Ruben S. Brown
The E Cubed Company LLC
1700 York Avenue, B1
New York, NY 10128



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

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

00140089.docx