

**PENNSYLVANIA UTILITY LAW PROJECT**

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December 20, 2011

**VIA ELECTRONIC FILING (E-FILING)**

Secretary Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Petition of West Penn Power Company for Amendment of the Orders Approving Energy Efficiency and Conservation Plans and Petition for Approval of its Amended Energy Efficiency and Conservation Plans, Docket No. M-2009-2093218**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Utility Commission is the Prehearing Memorandum of Pennsylvania Communities Organizing for Change (PCOC) in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties listed on the Prehearing Conference Order are being duly served. Please feel free to contact me directly should you have any questions.

Very Sincerely,



Patrick M. Cicero

Enclosure

cc: ALJ Dennis J. Buckley  
Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of West Penn Power Company** :  
**for Amendment of the Orders** : **Docket No. M-2009-2093218**  
**Approving Energy Efficiency and** :  
**Conservation Plan and Petition for** :  
**Approval of Amended Energy** :  
**Efficiency and Conservation Plan** :

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**PREHEARING MEMORANDUM OF PENNSYLVANIA COMMUNITIES  
ORGANIZING FOR CHANGE (“PCOC”) d/b/a ACTION UNITED**

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Pennsylvania Communities Organizing for Change d/b/a ACTION United (“PCOC”), through its counsel at the Pennsylvania Utility Law Project, hereby submits this Prehearing Memorandum pursuant to Administrative Law Judge Dennis J. Buckley’s December 15, 2011 Prehearing Conference Order.

**I. History of the Proceeding**

On August 9, 2011, West Penn Power Company f/k/a/ Allegheny Power (“West Penn” or “company”) filed a petition to amend its Act 129 Energy Efficiency and Conservation (“EE&C”) plan pursuant to the requirements of Act 129 of 2008, P.L. 1492 (“Act 129”), 66 Pa.C.S. §§2806.1-2806.2. On September 8, 2011, comments to the Petition were filed by the multiple parties including PCOC.

By Interim Opinion and Order dated October 28, 2011, the Pennsylvania Public Utility Commission’s (“Commission”) referred several elements of the Petition to the Office of Administrative Law Judge (“OALJ”) for expedited consideration and preparation of Recommended Decision.

PCOC is concerned about some of the amendments proposed by West Penn. First, PCOC is concerned about the proposed addition of a CVR program for residential low-income customers because of the uncertain nature of savings that will be passed through to end-users from such a measure, as well as the increased risk to this customer class from the possibility that a permanent CVR combined with intermittent peak load reductions required by PJM may unduly jeopardize the provision of reliable service. Second, PCOC is concerned about the proposed reduction of \$143,000 from the Residential Low-Income class. West Penn has not provided a sufficient or compelling justification for this reduction, and the addition of measures available to low-income customers does not make up for a reduction in the budget dedicated to these customers.

## **II. Issues to be presented**

### **A. CVR Program**

Through its CVR Program, West Penn proposes to “strategically select[] distribution circuits that have sufficient voltage levels to accommodate [a] 1.5% voltage reduction while still remaining within the voltage parameters established in 52 Pa. Code § 57.14(b).” (West Penn Statement No. 1. at 11:12-15.) This voltage reduction will be permanent and will cost approximately \$2 million to implement. West Penn has allocated \$208,054 of this amount to the Residential Low-Income Class.

Generally, PCOC understands that a voltage reduction of the kind proposed by West Penn will not adversely affect its customers’ end-use. However, PCOC is concerned about the possibility that a permanent 1.5% voltage reduction could affect customers when coupled with emergency voltage reductions that are sometimes required by PJM as a part of its emergency operating procedures. While the PJM reductions are temporary, they are typically required when

there is a shortage of operating reserve or insufficient generation supply. PCOC is concerned that a PJM mandated short-term reduction coupled with a permanent 1.5% reduction through the proposed CVR could cause customers to have their voltage reduced below the levels established in 52 Pa. Code § 57.14(b) and West Penn's tariff.

PCOC's concern is that low-income customers – particularly the elderly and infirm – are much more likely to be at home during peak load times when insufficient supply could cause PJM to require a voltage reduction. If this reduction, coupled with the implementation of a permanent CVR, were to cause supply interruptions, PCOC fears that these customers would be adversely affected. While PCOC fully appreciates the fact that implementation of a CVR program would produce energy savings through the reduction in voltage, the possible attendant risks mentioned above need to be more fully investigated before the Commission determines that the introduction of such a program is appropriate.

**B. Proposed reduction of \$143,276 in the Residential Low-Income Class**

In its Petition, the Companies propose to remove \$143,276 from its JUUMP program that would be transferred out of the low-income sector into other residential programs. Nowhere in its Petition, its proposed amended plan, or its testimony in support of its proposed amended plan does West Penn explain its reasons for removing this money from the low-income sector. Instead, West Penn justifies the removal of these funds by stating that low-income customers will “have access to more measures that provide them with more opportunities to reduce their electric bills.” (West Penn Statement No. 1. at 21:22-23.) The justification for the shuffling of these funds must be explored at a hearing.

**III. Witnesses and Testimony**

PCOC does not intend to present testimony in this proceeding, but will fully participate in the discovery process and reserves the right to examine any of the parties' witnesses at the hearings scheduled in this proceeding.

**IV. Service**

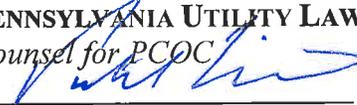
PCOC consents to electronic service of documents on the day that they are filed provided that one hard copy is sent by First Class mail to the following:

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**V. Conclusion**

PCOC respectfully requests that its Prehearing Memorandum be entered into the record of this proceeding.

Respectfully submitted,  
**PENNSYLVANIA UTILITY LAW PROJECT**  
*Counsel for PCOC*

  
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December 20, 2011

### Certificate of Service

I hereby certify that I have this day served copies of the Prehearing Memorandum of Pennsylvania Communities Organizing for Change d/b/a ACTION United, upon the following parties as set forth below in accordance with the requirements of 52 Pa. Code § 1.54:

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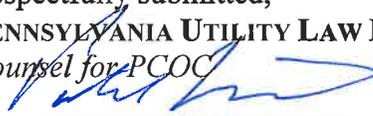
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