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| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSIONP.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE**M-2009-2093216 |

**April 10, 2012**

TO ALL INTERESTED PARTIES:

Re: Petition of PPL Electric Utilities Corporation for Approval of an Energy Efficiency and Conservation Plan

 Docket No. M-2009-2093216

On February 2, 2012, PPL Electric Utilities Corporation (PPL) filed a Petition for Approval of Changes to its Act 129 Energy Efficiency and Conservation (EE&C) Plan (Petition) and a black-line EE&C Plan (Revised Plan) that reflects the proposed changes. The Petition indicates that the Revised Plan contains fifty-six “minor” changes and six “non-minor” changes as defined in the Commission’s Order entered June 10, 2011 at Docket No. M-2008-2069887 (*June 2011 Order*). The *June 2011 Order* established an expedited review process for minor EE&C Plan changes and clarified the review process for non-minor changes. PPL is requesting that the Commission address the minor and non-minor changes together, pursuant to the review process for non-minor changes.

Consistent with the review process for non-minor changes, the Petition was served on all Parties to this proceeding. Comments were filed on the proposed changes by the Office of Consumer Advocate (OCA), Pennsylvania Communities Organizing for Change d/b/a Action United, Inc. (PCOC), PP&L Industrial Customer Alliance (PPLICA) and Sustainable Energy Fund of Central Pennsylvania (SEF) on March 5, 2012. Reply Comments were filed by PPL on March 26, 2012.

In this proceeding, PPLICA and SEF have explicitly requested an investigation and hearings on specific proposed modifications set forth in the Petition and Revised Plan. The Commission hereby grants this request and refers this matter to the Office of Administrative Law Judge (OALJ) for further proceedings.

The Commission recognizes that the three percent energy reduction targets set forth in Act 129 must be achieved during the twelve months ending May 31, 2013, and the 4.5% demand reduction requirement must be realized during the 100 peak hours during the forthcoming summer of 2012. Consequently, the outstanding issues in this proceeding must be resolved as soon as practical, consistent with due process, so that PPL can meet the energy and demand reduction requirements of Act 129. Accordingly, OALJ is directed to proceed in this matter, such that the Administrative Law Judge can certify the record of this proceeding to the Commission by May 1, 2012.

Since all Parties to this proceeding have had an opportunity to file Comments and Reply Comments on PPL’s Petition and Revised Plan, the issues to be addressed in the forthcoming proceedings shall be limited to those issues set forth in this letter. First, the proceedings shall address those issues for which PPLICA and/or SEF requested an investigation and hearing. Specifically, these issues pertain to the following proposed minor and non-minor modifications addressed in the Petition and contained in the Revised Plan:

**Minor Modifications**

1. Discontinue Rebate for Dehumidifiers.

3. Discontinue Rebate for Scanners, Printers and All Other Office Equipment.

4. Close Residential Portion of Renewable Energy Program Earlier than Expected.

**5**. Close Government, Non-Profit, Institutional (GNI) Portion of Renewal Energy Program Earlier than Expected.

6. Discontinue Rebate for Dishwashers and Clothes Washers.

14. Consolidate Cost Categories in EE&C Plan.

16. Transfer Funds from the Small C&I Portion of the C&I Custom Incentive Program to the Small C&I Portion of the Efficient Equipment Incentive Program.

18. Reduce the Projected Costs of the Large C&I Load Curtailment Program.

19. Re-forecast HVAC Tune-up and Revise Incentives.

 35. Change Projected Participation for Heat Pump Water Heaters.

36. Change Rebate for C&I Custom Incentive Program Technical Studies and Add Expiration Dates to Ensure Customers Can Implement the Project by May 2013.

55. Add a Small C&I Direct Install Option to the Efficient Equipment Incentive Program.

**Non-Minor Modifications**

2. Elimination of the New Home Program.

3. The Addition of a CSP for the C&I and Institutional Portion of Efficient Equipment Incentive and Custom Incentive Programs.

4. Adjustments to the Estimated Common Costs.

5. Increase in the Projected Cost of the Direct Load Control Program.

Second, the proceedings shall address SEF’s proposal to add an “on-bill financing program” for small commercial and industrial customers, as described in SEF’s Comments at 15-16.

Any Party having questions about this matter may contact Jonathan Nase in the Office of Special Assistants at (717) 787-3490 or jnase@pa.gov.



Sincerely,

 Rosemary Chiavetta Secretary