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March 19, 2014

**VIA OVERNIGHT FEDERAL EXPRESS****RECEIVED**Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

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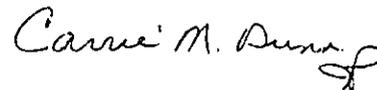
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAURe: Pennsylvania Power Company Final Annual Report to the Pennsylvania  
Public Utility Commission and Act 129 Statewide Evaluator  
M-2009-2112956

Dear Secretary Chiavetta:

Pursuant to Staff's request, enclosed please find an original and copy of amended pages 15-16 of the Final Annual Report to the Pennsylvania Public Utility Commission and Act 129 Statewide Evaluator for the period June 2012 through May 2013, Program Year 4.

Please date stamp the copy and return to me in the enclosed, postage-prepaid envelope. Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Carrie M. Dunn

Enclosures

**Final Annual Report  
to the  
Pennsylvania Public Utility Commission**

**For the Period  
June 2012 through May 2013  
Program Year 4**

**For Pennsylvania Act 129 of 2008  
Energy Efficiency and Conservation Plan**

Prepared by ADM Associates, Tetra Tech, NMR Group, and Pennsylvania Power Company

For

Pennsylvania Power Company  
Docket No. M-2009-2112956

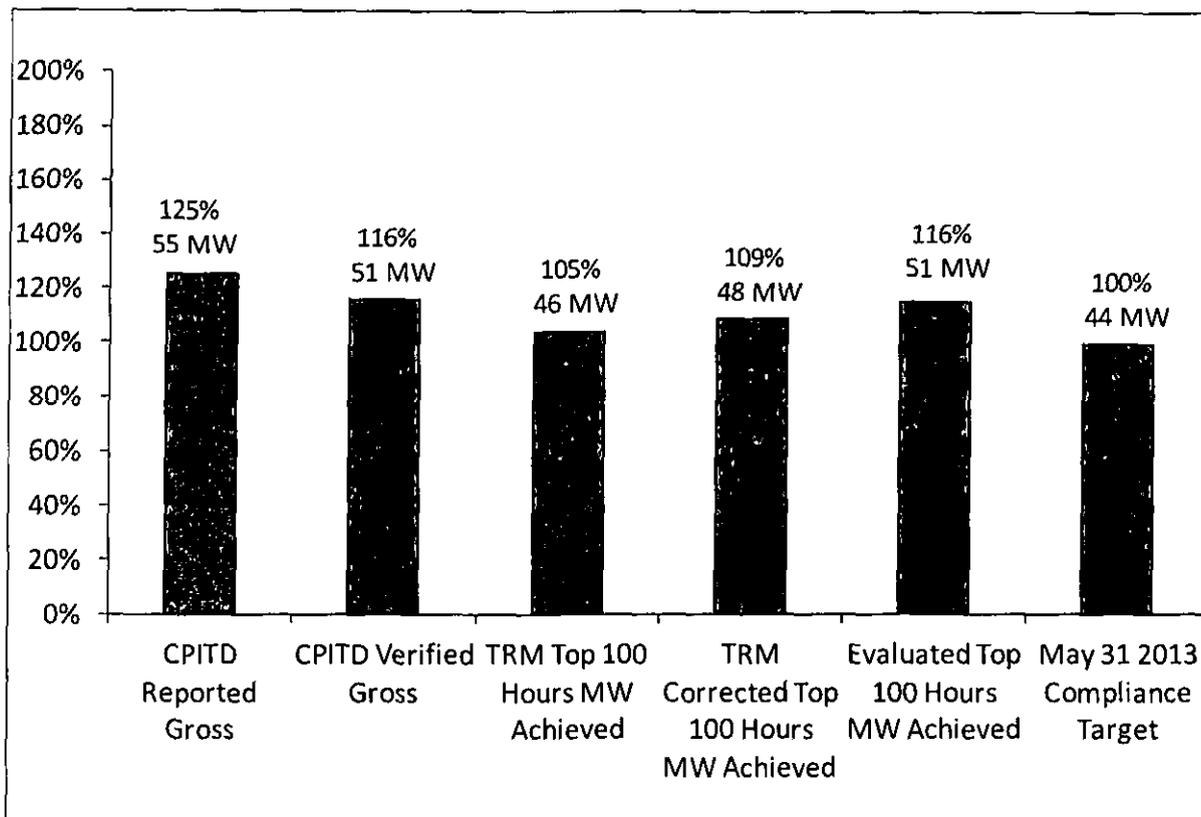
November 15, 2013  
Amended Report, Filed March 19, 2014

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Figure 1-2. Portfolio CPITD Peak Demand Reduction



*Low Income Sector*

Act 129 mandates that the number of measures offered to the low-income sector be proportionate to the low-income sector’s share of total energy usage.<sup>11</sup> There are 7 measures available to the low-income sector and 41 measures available in total across all customer sectors<sup>12</sup>. The measures offered to the low-income sector therefore comprise 17.1 percent of the total measures offered. This exceeds the fraction

<sup>11</sup> Act 129 includes a provision requiring electric distribution companies to offer a number of energy conservation measures to low-income households that are “proportionate to those households’ share of the total energy usage in the service territory.” 66 Pa.C.S. §2806.1(b)(i)(G). The legislation contains no provisions regarding targets for participation, or energy or demand savings.

<sup>12</sup> To keep calculations tractable, measures are grouped into homogeneous categories. For example, the “WARM Plus” low-income program offers more than 100 distinct measures, but it is counted as one of the seven broad measures available solely to low-income customers. Likewise, there may be scores of variants of linear fluorescent lamps rebated by the Efficient Equipment programs, but they are also categorized in the same group.

of the estimated electric consumption of the utility's low-income households divided by the total electricity consumption in the Penn Power territory (8.2 percent). These values are shown in Table 1-2.

**Table 1-2: Low-Income Sector Compliance Metrics**

	<b>Low-Income Sector</b>	<b>All Sectors</b>	<b>% Low-Income</b>
# of Measures Offered	7	41	17.1%
Electric Consumption (MWh/yr)	383,132	4,695,840	8.2%

The CPITD reported gross energy savings for low-income sector programs (excluding low-income participation in non-low-income programs) is 2,554 MWh/yr; this is 1.4 percent of the CPITD total portfolio reported gross energy savings.

Including low-income customer participation in non-low-income programs, the CPITD reported gross energy savings achieved is 19,658 MWh/yr; this is 10.8 percent of the CPITD total portfolio reported gross energy savings.

The CPITD verified gross energy savings achieved for low-income programs (excluding low-income participation in non-low-income programs) is 2,271 MWh/yr; this is 1.4 percent of the CPITD total portfolio verified gross energy savings.<sup>13</sup>

Including low-income customer participation in non-low-income programs, the CPITD reported verified energy savings achieved is 18,855 MWh/yr; this is 11.4 percent of the CPITD total portfolio reported gross energy savings.<sup>14 15</sup>

*Government, Nonprofit and Institutional (GNI) sector*

Act 129 mandates that a minimum of 10% of the required energy and demand targets be obtained from units of federal, state and local governments, including municipalities, school districts, institutions of higher education and nonprofit entities. Herein, this group is referred to as the government, nonprofit and institutional (GNI) sector.

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<sup>13</sup> See the "Report Definitions" section for an explanation of how CPITD verified gross savings are calculated.

<sup>14</sup> The Energy Savings achieved in the low-income sector starting with the PY4Q2 report are calculated according to the procedure in the PY3 Annual report (page 14). This is a shift from the previous calculation procedure that was used for the PY4Q1 report, and the new methodology results in smaller claimed impacts, thus the adjustment from the PY4Q1 report.

<sup>15</sup> The estimated cost of low-income savings from non-low-income programs is \$1,150,401