



COMMONWEALTH OF PENNSYLVANIA

January 4, 2016

**E-FILED**

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

**Re: Petition of PECO Energy Company for Approval of its  
Act 129 Phase III EE&C Plan - Docket No. M-2015-2515691**

Dear Secretary Chiavetta:

I am delivering for filing today the original of the Answer on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is also enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari  
Deputy Small Business Advocate  
Attorney ID No. 306921

Enclosures

cc: The Honorable Angela T. Jones  
The Honorable Darlene D. Heep  
Mr. Robert Knecht  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PECO Energy Company for** :  
**Approval of its Act 129 Phase III Energy** : **Docket No. M-2015-2515691**  
**Efficiency and Conservation Plan** :

**ANSWER OF THE OFFICE OF  
SMALL BUSINESS ADVOCATE**

Pursuant to 52 Pa. Code §5.61(e), the Office of Small Business Advocate (“OSBA”) hereby answers the Petition for Approval of its Act 129 Phase III Energy and Conservation Plan filed by PECO Energy Company (“PECO” or “Company”) with the Pennsylvania Public Utility Commission (“Commission”) on November 30, 2015, and avers the following in support thereof:

1. The OSBA is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50) to represent the interest of small business consumers as a party in proceedings before the Commission.

2. In the Petition, the Company seeks approval of its Phase III Energy Efficiency and Conservation Plan (“Phase III Plan”).

3. The OSBA is participating in this proceeding to ensure that the Phase III Plan developed by the Company is fair and equitable to small business customers. Ideally, the OSBA would like to ensure that the Phase III Plan has the following characteristics:

- a. Ratepayer subsidized energy efficiency programs are selected primarily based on their overall cost effectiveness, but also take into account a reasonable balance among the various rate classes and meeting the legislated targets for certain customer groups;

- b. Estimates of long-term energy savings associated with ratepayer subsidized energy efficiency programs should be validated by actual observed load reductions for program beneficiaries;
- c. “Incentives” (*i.e.*, cross-subsidies to participating customers from non-participants) and administrative costs for energy efficiency programs targeted at small business customers should be minimized, subject to the overall need to meet mandated savings levels;
- d. Ratepayer subsidized energy efficiency programs for small business customers should focus on cost-effective programs that would likely not be undertaken by the customers without the subsidies (*i.e.*, credible estimates of net to gross (“NTG”) ratios should be used in comparing the economics of different programs);
- e. Programs targeted at general service customers who are not small businesses, including government, non-profit, educational or multi-family customers, are not disproportionate to those customers’ load.

4. However, the Phase III Plan is extremely detailed and complex. Any thorough evaluation of this plan by the OSBA is precluded by time and budget considerations. As such, the OSBA’s intervention in this proceeding will therefore be limited, and will seek to ensure that the mix of ratepayer subsidized programs sponsored by the Company is reasonable. In general, the OSBA will review the following:

- a. Whether the overall level of utility costs for the various rate classes is reasonably commensurate to distribution voltage energy consumption, or an adequate explanation for any major variation is provided by the Company;

- b. Whether program beneficiaries for small business programs bear a reasonable share of the cost of each program, both in absolute terms (*i.e.*, greater than 50%) and relative to the statistics for programs targeted to other rate class groups;
- c. Whether the tariff charges per kWh for Residential and Small C&I customer classes are similar in magnitude, or an adequate explanation for any major variation is provided by the Company;
- d. Whether the benefit-cost ratios, measured both with and without a NTG adjustment, for programs targeted at Small C&I customers are similar or greater in magnitude than those targeted at other rate class groups.

**WHEREFORE**, the Office of Small Business Advocate respectfully requests that the Commission deny approval the Company's Phase III Plan unless it is found to be reasonable and equitable to small business customers.

Respectfully submitted,

  
Elizabeth Rose Triscari  
Deputy Small Business Advocate  
Attorney I.D. No. 306921

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Date: January 4, 2016

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PECO Energy Company            :**  
**for Approval of its Act 129 Phase III        :**        **Docket No. M-2015-2515691**  
**Energy Efficiency and Conservation Plan :**

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (unless other noted below) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Angela T. Jones  
Administrative Law Judge  
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DATE: January 4, 2016

  
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