

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWIN A. POPOWSKY
Consumer Advocate

July 27, 2009

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Metropolitan Edison Company Energy
Efficiency and Conservation Plan
Docket No. M-2009-2092222
Pennsylvania Electric Company Energy
Efficiency and Conservation Plan
Docket No. M-2009-2112952
Pennsylvania Power Company Energy
Efficiency and Conservation Plan
Docket No. M-2009-2112956

Dear Secretary McNulty:

Enclosed for filing is the Prehearing Memorandum 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 cursive script that reads "Candis A. Tunilo".

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891

Enclosure
cc: Honorable David A. Salapa

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition for Consolidation of	:		
Proceedings and Approval of Energy	:		
Efficiency and Conservation Plans for	:	Docket Nos.	M-2009-2092222
Metropolitan Edison Company,	:		M-2009-2112952
Pennsylvania Electric Company and	:		M-2009-2112956
Pennsylvania Power Company	:		

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION AND PROCEDURAL HISTORY

On July 1, 2009, Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), and Pennsylvania Power Company (Penn Power) (collectively First Energy Companies) filed their Joint Petition for Consolidation of Proceedings and Approval of Energy Efficiency and Conservation Plans (Plans) with the Pennsylvania Public Utility Commission (Commission) pursuant to Section 2806.1 of the Public Utility Code and pursuant to the Implementation Order entered by the Commission at Docket No. M-2008-2069887 on January 16, 2009. The First Energy Companies request that the Commission consolidate their Petitions and approve their Plans, including cost recovery via a surcharge.

The First Energy Companies plan to reduce annual energy consumption by more than 1.02 million MWh in the aggregate by May 31, 2013, by implementing nineteen (19) programs for

residential; commercial and industrial; and governmental/institutional customers in each of their service territories. The First Energy Companies propose residential programs including: (1) Home Energy Audits; (2) Residential Appliance Turn-In Program; (3) Residential HVAC; (4) Residential Energy Efficiency Products Program; (5) Residential New Construction; (6) Residential Whole Building; (7) Multi-Family - Tenants; (8) Residential Direct Load Control; and (9) Low-Income Residential.

The First Energy Companies' filings were assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judge David A. Salapa for investigation. On July 8, 2009, ALJ Salapa issued a Prehearing Conference Order. On July 29, 2009, the Prehearing Conference will be held in Harrisburg. As required by Act 129, public input hearings will be held in the First Energy Companies' service territories as follows: for Met-Ed in Wyomissing on August 4; for Penelec in Hollidaysburg on July 31; and for Penn Power in Mars on July 30. Technical evidentiary hearings will be held from August 30 through September 2, 2009.

On July 7, 2009, the Office of Consumer Advocate filed Notices of Intervention and Public Statements in these matters.

On August 7, 2009, the OCA will file Comments accompanied by Direct Testimony, which will identify specific issues.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of the First Energy Companies' filings and participation in several stakeholder meetings, the OCA has compiled a list of issues and sub-issues, which it anticipates will be included in its investigation of the filings. It is anticipated that other issues may arise and may be pursued during the course of these proceedings.

The following list sets forth the issues at this time that the OCA anticipates it will examine:

- (1) Reasonableness of the First Energy Companies' proposed energy conservation and demand response plan and the individual program design for meeting Act 129 requirements;
- (2) Reasonableness of the balance of the portfolio of programs and whether the programs are equitably distributed;
- (3) Whether the First Energy Companies' Plans meet the requirements of Act 129 for low-income and governmental/non-profit customers;
- (4) Reasonableness of the First Energy Companies' proposed program costs, including the proposed budgets;
- (5) Reasonableness of the First Energy Companies' proposed cost recovery mechanisms and the allocation of overhead and common costs;
- (6) Reasonableness and cost effectiveness of the proposed programs, including whether the Plans meet the requirements of the Total Resource Cost (TRC) test;
- (7) Reasonableness of the First Energy Companies' proposed measurement and verification and evaluation plans; and
- (8) The need for an on-going stakeholder group.

The OCA specifically reserves the right to raise additional issues as may be necessary.

III. WITNESSES

The OCA intends to present the direct testimony of the following witness in this proceeding to accompany the OCA's Comments. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, comments, and answers to interrogatories be mailed directly to the expert witness as well to counsel for the OCA.

EE&C Plans and Cost Recovery

David G. Hill, Ph.D.
Managing Consultant
Vermont Energy Investment Corporation
255 South Champlain St.
Burlington, VT 05401
(802) 658-6060 x 1034
Dhill@veic.org

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

IV. SERVICE ON OCA

The OCA will be represented in this case by Assistant Consumer Advocates, Aron J. Beatty and Candis A. Tunilo and Senior Assistant Consumer Advocate, Tanya J. McCloskey. Two copies of all documents should be served on the OCA as follows:

Aron J. Beatty
Candis A. Tunilo
Assistant Consumer Advocates
Office of Consumer Advocate
555 Walnut St., 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048
Fax: (717) 783-7152
Email: ABeatty@paoca.org
CTunilo@paoca.org

As a courtesy, the OCA requests that all electronic correspondence be copied to Jessica J. Horner (JHorner@paoca.org).

V. DISCOVERY

In order to effectively investigate and adequately develop a record on these issues, the OCA requests a modification of the Commission's procedural rules, as set forth below:

(1) Answers to written interrogatories shall be served in-hand within seven (7) calendar days of service.

(2) Objections to interrogatories shall be communicated orally within three (3) calendar days of the service of interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.

(3) Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

(4) Answers to motions to dismiss objections and/or answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

(5) Ruling over such motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion.

(6) Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within seven (7) calendar days.

(7) Requests for admissions will be deemed admitted unless answered within seven (7) calendar days or objected to within five (5) calendar days of service.

The OCA reiterates that all time periods established in the foregoing discovery schedule should be calculated using calendar days.

VI. SCHEDULE

The Prehearing Order dated July 7, 2009, provides the schedule of these proceedings, and the OCA will work with the parties to address any witness scheduling issues.

VII. PUBLIC INPUT HEARINGS

Public input hearings have been scheduled for Penn Power on Thursday, July 30, 2009, at 1 p.m. and 6 p.m. at the Four Points Sheraton North in Mars, Pennsylvania. Public input hearings have

been scheduled for Penelec on Friday, July 31, 2009, at 1 p.m. and 6 p.m. at the Pennsylvania Department of Transportation Engineering District 9-0 in Hollidaysburg, Pennsylvania. Public input hearings have been scheduled for Met-Ed on Tuesday, August 4, 2009, at 1 p.m. and 6 p.m. at the Crown Plaza Reading Hotel in Wyomissing, Pennsylvania. In the event that the OCA receives additional requests for a public input hearing, the OCA will notify the ALJ and the parties immediately. Given the expedited nature of this proceeding, the OCA requests that consideration be given to alternative means of receiving input from those members of the public who cannot attend the public input hearings. The OCA recommends telephonic public input hearings along with written comments.

Respectfully Submitted,



Aron J. Beatty

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Assistant Consumer Advocates

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Dated: July 27, 2009

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CERTIFICATE OF SERVICE

Metropolitan Edison Company Energy Efficiency and Conservation Plan	:	Docket No.	M-2009-2092222
	:		
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Pennsylvania Electric Company Energy Efficiency and Conservation Plan	:	Docket No.	M-2009-2112952
	:		
	:		
Pennsylvania Power Company Energy Efficiency and Conservation Plan	:	Docket No.	M-2009-2112956
	:		

I hereby certify that I have this day served a true copy of the foregoing document, the Prehearing Memorandum 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 27th day of July 2009.

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