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February 12, 2010

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FEB 12 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

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

Re: Petition of West Penn Power Company d/b/a Allegheny Power for Approval of its Energy Efficiency and Conservation Plan, Approval of recovery of its Costs Through a Reconcilable Adjustment Clause and Approval of Matters Relating to the Energy Efficiency and Conservation Plan; Docket No. M-2009-2093218

Tariff Revisions for Supplement No. 195 Electric-Pa.P.U.C. No. 39 Tariff Revisions for Supplement No. 145 Electric-Pa.P.U.C. No. 37

Dear Secretary McNulty:

Enclosed for filing¹ by West Penn Power Company d/b/a Allegheny Power ("Allegheny Power" or "Company") are nine (9) copies of the Energy Efficiency and Conservation ("EE&C") Surcharge, Supplement No. 195 to Electric – Pa P.U.C. No. 39 and Supplement No. 145 to Electric – Pa. P.U.C. No. 37.

As explained in the Company's November 4, 2009 tariff filing, there was a nuance in the timing of the institution of the EE&C Surcharge for approximately 660 specific large Commercial and Industrial Class customers. Because of programming changes necessitated by the Commission's Opinion and Order entered October 23, 2009 at the above-captioned docket, Allegheny Power was unable to implement the surcharge for the approximate 660 specific customers until February 2010. The timing nuance for the approximate 660 customers was the result of the Commission's Opinion and Order directing Allegheny Power to recover its EE&C Plan costs from large Commercial and Industrial customers using a demand charge based on customers PJM Peak Load Contribution ("PLC"). Since Allegheny Power's billing system was not set up to handle a surcharge using a PLC identifier, special programming time and expense was required, which was completed in February 2010.

¹ This filing is made by Federal Express and is deemed filed February 12, 2010.

² Reply Testimony of Raymond E. Valdes, Statement No. 3-R, page 9

James J. McNulty, Secretary February 12, 2010 Page 2

This tariff filing subsequently sets forth the EE&C Surcharge for the approximate 660 customers, which are billed on Tariff No. 39 Rate Schedules 30 (large), 40, 41, 44, 46, and Tariff No. 37. All other rate schedules and customers are unaffected by this tariff filing.

This tariff filing sets forth the EE&C Surcharge rate only for programs approved in the Commission's Opinion and Order entered October 23, 2009. The EE&C Surcharge rate per PLC was provided in the Company's amended filing dated December 21, 2009. This tariff filing removes cost collection associated with the non-residential Customer Resources Demand Response Program since this program has not received Commission approval. This tariff filing is effective on one day's notice on the portions of the plan the Commission has approved, as expressly requested in the Company's original filing dated June 30, 2009 and its amended filing dated December 21, 2009.

Respectfully submitted,

John L. Munsch

Senior Attorney

Enclosures

cc: Certificate of Service

Re:

Allegheny Power's Energy Efficiency and Conservation Plan; Docket No. M-2009-2093218

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CERTIFICATE OF SERVICE

PA PUBLIC UTILITY COMMISSION I hereby certify that on the 12th day of February, 2010, a true **SECRETARY** COMMISSION

Tariff Supplement No. 195 Electric - Pa. PUC No. 39 and Tariff Supplement No. 145

Electric - Pa. PUC No. 37 of West Penn Power Company d/b/a Allegheny Power were served by First Class Mail upon the following:

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WEST PENN POWER COMPANY

WEST PENN POWER COMPANY

TRADING AND DOING BUSINESS AS ALLEGHENY POWER

TARIFF

Rate Schedules and Rules and Regulations

FOR

ELECTRIC SERVICE

IN

The Territory as Defined on Pages 3-1, 3-2, 3-3, 3-4, 3-5, 3-6 and 3-7 of this Tariff

Issued: February 12, 2010 Effective: February 15, 2010

Rodney L. Dickens

President

Cabin Hill

Greensburg, PA

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FEB 12 2010

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

NOTICE

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

Energy Efficiency and Conservation ("EE&C") Surcharge - First Revised Page No. 5-9 - Change in text regarding the calculation of the Surcharge, and new rates per kW PLC

<u>Energy Efficiency and Conservation ("EE&C") Surcharge</u> - First Revised Page No. 5-10 - Change in text regarding the annual reconciliation factor

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ENERGY EFFICIENCY AND CONSERVATION ("EE&C") SURCHARGE

In addition to the charges provided in this Tariff and in accordance with 66 Pa. C.S.A. §2806.1, there shall be a surcharge as set forth below to recover the costs associated with Company-sponsored programs for energy efficiency and conservation programs as approved by the Commission. This surcharge is applied to designated Rate Schedules to recover costs allocated to that Rate Schedule. This surcharge will be applied each month until changed by the Commission. The resulting surcharge is in addition to any minimum charge set out in the Rate Schedule and is added to the Customer's bill before any tax surcharge is levied against the Customer's total bill. Amounts billed hereunder shall be subject to late payment charges.

CALCULATION OF SURCHARGE

The EE&C Surcharge is calculated as a levelized surcharge through May 2013. The surcharge is calculated by separating the Program Costs allocated to each Rate Schedule into an energy-related portion and a demand-related portion, and dividing by forecasted distribution energy and distribution demand sales, respectively, for the same Rate Schedule. The calculation includes an Annual Reconciliation Factor adjustment and an adjustment for gross receipts tax. The Annual Reconciliation Factor adjustment will be filed by March 31 to become effective the forthcoming June 1. Upon determination that the surcharge, if left unchanged, would result in a material over/under-collection, the Company may file a proposed interim revision of the surcharge for Commission approval.

For Customers receiving service under Schedule 10, the EE&C Surcharge is added to the Distribution Charge for billing purposes. For all other Customers, the EE&C Surcharge shall be set out separately on the Customer's bill.

Bills shall include an amount equal to the surcharge rate times the number of distribution energy and capacity sales as follows:

EE&C SURCHARGE

D . O	5	D (114)		(0)
Rate Schedule	Rate per kWh	Rate per kW	Rate per kW PLC	(C)
10	\$0.00222			
20	\$0.00112			
22	\$0.00099			
30 (small)*	\$0.00071	\$0.30		
30 (large)*			\$0.54	(C)
40			\$0.24	(C)
41			\$0.24	(C)
44			\$0.24	(C)
46			\$0.24	(C)

*Rate Schedule 30 (small) defined as Customers receiving service under Rate Schedule 30 with a Kilowatt Demand less than 500 kilowatts, and Rate Schedule 30 (large) defined as Customers receiving service under Rate Schedule 30 with a Kilowatt Demand greater than or equal to 500 kilowatts. The Company will categorize Customers as those with Kilowatt Demands less than 500 kilowatts and those with a Kilowatt Demand greater than or equal to 500 kilowatts.

(C)

(C)

(C) Indicates Change

ENERGY EFFICIENCY AND CONSERVATION ("EE&C") SURCHARGE (Concluded)

ELIGIBLE COSTS

Costs eligible for recovery through the EE&C Surcharge are approved by the Commission and include:

Program Costs -- Program Costs are the estimated costs for research, development, implementation, and operation of programs to be incurred by the Company and approved by the Commission. Program costs include, but are not limited to, Company labor, rebates and incentives, payments to third parties for program administration and implementation, direct marketing and advertising costs incurred by the Company, market research costs, program development, monitoring and evaluation, consultant and contractor fees, applicable software and software licenses, program measurement and monitoring hardware, and all other administrative activities associated with program development and implementation.

Annual Reconciliation Factor -- The Annual Reconciliation Factor corrects for over/under-collection of Program Costs and may reflect items such as an update of forecasted billing determinants, reevaluation or re-design of EE&C programs, and re-allocation of Program Costs to the designated Rate Schedules. The Company will submit to the Commission by March 31 of each year: (1) a comparison between forecasted revenues billed and actual revenues billed through February, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted revenues anticipated to be billed during March through May, as adjusted for removal of gross receipts tax; (3) any adjustment to the Program Costs levelized through May 2013 based upon actual costs incurred through February and any revised estimates for future months, subject to this Tariff's allocation portion of the amount permitted to be recovered under 66 Pa. C.S.A. §2806.1; and (4) the subsequent reconciliation effect to the EE&C Surcharge adjusted for gross receipts tax, and levelized over the period of the upcoming June 1 and continuing through the remaining months of the surcharge. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2013.

(C)

WEST PENN POWER COMPANY

RATES, TERMS, AND CONDITIONS

GOVERNING

INTERCHANGE OF ELECTRIC ENERGY

WITH

THE PENNSYLVANIA STATE UNIVERSITY

Issued February 12, 2010

Effective February 15, 2010

BY: Rodney L. Dickens President Cabin Hill Greensburg, Pennsylvania

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

CHANGES

Energy Efficiency and Conservation ("EE&C") Surcharge - Original Page No. 5-4 Energy Efficiency and Conservation Surcharge to recover costs associated with company sponsored programs

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(C)

ENERGY EFFICIENCY AND CONSERVATION ("EE&C") SURCHARGE

In addition to the charges provided in this Tariff and in accordance with 66 Pa. C.S.A. §2806.1, there shall be a surcharge as set forth below to recover the costs associated with Company-sponsored programs for energy efficiency and conservation programs as approved by the Commission. This surcharge is applied to this Tariff to recover costs allocated to this Tariff. This surcharge will be applied each month until changed by the Commission. The resulting surcharge is in addition to any minimum charge set out in the Tariff and is added to the Customer's bill before any tax surcharge is levied against the Customer's total bill. Amounts billed hereunder shall be subject to late payment charges.

CALCULATION OF SURCHARGE

The EE&C Surcharge is calculated as a levelized surcharge through May 2013. The surcharge is calculated by separating the Program Costs allocated to this Tariff and dividing by forecasted distribution PLC demand sales. The calculation includes an Annual Reconciliation Factor adjustment and an adjustment for gross receipts tax. The Annual Reconciliation Factor adjustment will be filed by March 31 to become effective the forthcoming June 1. Upon determination that the surcharge, if left unchanged, would result in a material over/under-collection, the Company may file a proposed interim revision of the surcharge for Commission approval.

Bills shall include an amount equal to the surcharge rate times the number of capacity sales as follows:

EE&C SURCHARGE

Rate per kW PLC \$0.39

ELIGIBLE COSTS

Costs eligible for recovery through the EE&C Surcharge are approved by the Commission and include:

Program Costs -- Program Costs are the estimated costs for research, development, implementation, and operation of programs to be incurred by the Company and approved by the Commission. Program costs include, but are not limited to, Company labor, rebates and incentives, payments to third parties for program administration and implementation, direct marketing and advertising costs incurred by the Company, market research costs, program development, monitoring and evaluation, consultant and contractor fees, applicable software and software licenses, program measurement and monitoring hardware, and all other administrative activities associated with program development and implementation.

Annual Reconciliation Factor -- The Annual Reconciliation Factor corrects for over/under-collection of Program Costs and may reflect items such as an update of forecasted billing determinants, reevaluation or re-design of EE&C programs, and re-allocation of Program Costs to this Tariff. The Company will submit to the Commission by March 31 of each year: (1) a comparison between forecasted revenues billed and actual revenues billed through February, as adjusted for removal of gross receipts tax; (2) any adjustment to the forecasted revenues anticipated to be billed during March through May, as adjusted for removal of gross receipts tax; (3) any adjustment to the Program Costs levelized through May 2013 based upon actual costs incurred through February and any revised estimates for future months, subject to this Tariff's allocation portion of the amount permitted to be recovered under 66 Pa. C.S.A. §2806.1; and (4) the subsequent reconciliation effect to the EE&C Surcharge adjusted for gross receipts tax and levelized over the period of the upcoming June 1 and continuing through the remaining months of the surcharge. There shall also be a final reconciliation of amounts to be collected or refunded after May 31, 2013.

(C) Indicates Change