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September 4, 2012

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

**VIA ELECTRONIC FILING AND**  
**HAND DELIVERY**

**RE: Energy Efficiency and Conservation Program;  
Docket No. M-2012-2289411**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the original Comments of the Industrial Energy Consumers of Pennsylvania ("IECPA"), Duquesne Industrial Intervenors ("DII"), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Penn Power Users Group ("PPUG"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), PP&L Industrial Customer Alliance ("PPLICA"), and West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups") in the above-referenced proceeding.

Please date stamp the extra copy of this transmittal letter and Comments, and kindly return them to our messenger for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Teresa K. Schmittberger

Counsel to the Industrial Customer Groups

TKS/sar  
Enclosures

c: Megan Good, Bureau of Technical Utility Services (Via E-mail [megagood@pa.gov](mailto:megagood@pa.gov))  
Kriss Brown, Law Bureau (Via E-mail [kribrown@pa.gov](mailto:kribrown@pa.gov))

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Energy Efficiency and  
Conservation Plan Template

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Docket No. M-2012-2289411

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**COMMENTS OF THE INDUSTRIAL CUSTOMER GROUPS**

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Pennsylvania, Duquesne Industrial Intervenors,  
Met-Ed Industrial Users Group, Penelec Industrial  
Customer Alliance, Penn Power Users Group,  
Philadelphia Area Industrial Energy Users Group,  
PP&L Industrial Customer Alliance, and West Penn  
Power Industrial Intervenors

Dated: September 4, 2012

On August 17, 2012, the Pennsylvania Public Utility Commission ("PUC" or "Commission") issued a Secretarial Letter requesting stakeholder comments regarding the template for Phase II Energy Efficiency and Conservation ("EE&C") plans, which will be filed at the Commission on or around November 1, 2012. The PUC included a proposed template for these plans in the Secretarial Letter. The final template will be established in accordance with the Commission's August 2, 2012, Implementation Order related to Phase II. The comments herein specify additional requirements that should be incorporated within the template to provide additional transparency to customers when electric distribution companies' ("EDC") plans are filed. These comments are sponsored by the Industrial Energy Consumers of Pennsylvania ("IECPA"), which is an association of energy-intensive industrial companies operating facilities across the Commonwealth of Pennsylvania. IECPA's members consume in excess of 25% of the industrial electricity in Pennsylvania and employ approximately 41,000 workers. Also sponsoring these comments are coalitions of Large Commercial and Industrial ("C&I") customers receiving service from most of the Commonwealth's electric distribution companies ("EDCs"): Duquesne Industrial Intervenors ("DII"), Met-Ed Industrial Users Group ("MEIUG"), Penelec Industrial Customer Alliance ("PICA"), Penn Power Users Group ("PPUG"), Philadelphia Area Industrial Energy Users Group ("PAIEUG"), PP&L Industrial Customer Alliance ("PPLICA"), and West Penn Power Industrial Intervenors ("WPPII") (collectively, "Industrial Customer Groups").

#### **I. EE&C Rate and Measure Transparency in Template**

In the "Overview of Plan" section of the proposed template, the Industrial Customer Groups recommend that the Commission require EDCs to include projected annual EE&C rates for each rate schedule of customers for each year of the plan. It is important that projected rates

are an aspect of EDCs' initial Phase II EE&C filings, submitted this November, to permit Large C&I customers and all customers to estimate their electric costs in future periods. For Large C&I customers, the lack of advance rate information adversely impacts their ability to accurately project their operational budgets. This can have adverse consequences for the employees who prepare the budgets and can also impact the profitability of price quotations and commitments made to their customers. In many instances, EE&C costs are higher than distribution costs for Large C&I customers. As a result, Large C&I customers' incorrect prediction regarding future EE&C surcharges has a significant effect on their overall budgets.

In Phase I, Large C&I customers were not provided with sufficient information to accurately estimate their future EE&C costs. For Phase II, the Commission should ensure that Large C&I customers are provided with more transparency regarding rates as early as possible, *i.e.*, when EDCs make their initial filings. This rate information should include a projected EE&C rate for each year, as well as whether the EDCs propose any change to their cost allocation methodologies. Subsequently, any rate or allocation changes should be clearly stated within EDCs' annual reports and other related filings. The Industrial Customer Groups acknowledge that projected rates may change based on EDCs' reconciliations and plan budgets; however, an estimated projected rate that is subject to change is still essential for Large C&I customers' planning and budgeting purposes.

Also related to plan transparency, the Industrial Customer Groups request that EDCs' initial Phase II filings include a comprehensive list of EE&C measures that specifies how each measure may be adopted by customers. During Phase I, many Large C&I customers were unable to take advantage of EE&C measures based on the lack of information provided by EDCs related to participation in the measures. As a result, the Industrial Customer Groups recommend that the

Phase II template include a section that outlines the procedure for participation in each EDC measure. For example, the plans should provide a specific person to contact to initiate the process, the anticipated milestones and timeline for review of the application, the information and documents that must be submitted, and similar details regarding how the customer can take advantage of the measure.

## **II. Table Information Included in Template**

The Industrial Customer Groups generally support the format of Tables 6A and 6B in the template proposed by the Commission. First, Table 6A properly includes a list of measure costs identified by category, such as administrative, curtailment service provider ("CSP") payments, customer payments/incentives, etc. The Industrial Customer Groups recommend that Table 6A be modified to specifically include a column reflecting the per MWh acquisition cost (both actual and projected) for each measure to provide an initial understanding of cost-effectiveness. Because MWh acquisition costs were often referenced in the Commission's *Electric Energy Efficiency Potential for Pennsylvania* study, the Industrial Customer Groups believe that this element should be added to the Phase II template in both Table 6A and in the "Energy Efficiency Portfolio/Program Summary Tables and Charts" section. Second, Table 6B should include a detailed class allocation of any common costs resulting from EDCs' plans. Within this Table, EDCs should also be required to explain which, if any, allocators will be modified as part of Phase II, and how any modifications would impact each customer class. Both Tables should include significant detail regarding measure costs and allocations to provide additional transparency to customers.

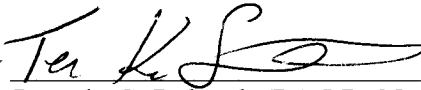
### **III. Online Access to Current EE&C Plans**

The Industrial Customer Groups support the PUC's recommendation in the Secretarial Letter for EDCs to maintain an electronic copy of their current Phase II EE&C plans on their respective websites. When EDCs propose changes to their plans, all proposals should similarly be included on their sites. Moreover, to enhance the accessibility of plans to customers, the PUC could include links to each EDC's plan on the PUC's Act 129 website. These steps would ensure that customers who require information about EE&C costs and measures can access such information without excessive difficulty.

**WHEREFORE**, the Industrial Energy Consumers of Pennsylvania, Duquesne Industrial Intervenors, Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance, Penn Power Users Group, Philadelphia Area Industrial Energy Users Group, PP&L Industrial Customer Alliance, and West Penn Power Industrial Intervenors respectfully request that the Pennsylvania Public Utility Commission consider and adopt, as appropriate, the foregoing comments.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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