



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF SMALL BUSINESS ADVOCATE

December 18, 2012

E-FILED AND HAND DELIVERY

Hon. Elizabeth H. Barnes
Administrative Law Judge
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

**Re: Petition of Pennsylvania Electric Company for Approval of its Act 129
Phase II Energy Efficiency and Conservation Plan
Docket No. M-2012-2334392**

Dear Judge Barnes:

Enclosed are two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,


Daniel G. Asmus
Assistant Small Business Advocate
Attorney ID No. 83789

Enclosures

cc: Rosemary Chiavetta, Secretary
Parties of Record
Robert D. Knecht

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Pennsylvania Electric :
Company for Approval of its Act 129 : **Docket No. M-2012-2334392**
Phase II Energy Efficiency and :
Conservation Plan :

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Daniel G. Asmus. Please address all correspondence in that matter as follows:

Daniel G. Asmus
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Office of Small Business Advocate
300 North Second Street, Suite 1102
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II. FILING BACKGROUND

Act 129 of 2008 (“Act 129”) was into law on October 15, 2008. Act 129 requires that each electric distribution company (“EDC”) with at least 100,000 customers must develop and

file an Energy Efficiency & Conservation Plan (“EE&C Plan”) with the Commission for approval. Pennsylvania Electric Company (“Penelec”) developed, filed, and received approval of its initial EE&C Plan.

On August 3, 2012, the Commission entered the *Phase II Implementation Order* at Docket Nos. M-2008-2069887 and M-2012-2289411, tentatively adopting EDC-specific targets for reduced energy consumption in Phase II of the EE&C Program, to run from June 1, 2013 through May 31, 2016. Penelec filed its Phase II EE&C Plan with the Commission on November 13, 2012.

III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

The OSBA does not have the resources to undertake a detailed evaluation of every Pennsylvania EDC’s EE&C Plan. Nevertheless, within its constraints, the OSBA intends to review Penelec’s proposed EE&C plan to evaluate whether:

- 1) Small business customers are assigned a reasonable share of the overall EE&C programs, neither disproportionately large or small;
- 2) Costs for the various EE&C programs are reasonably and equitably assigned and allocated among the various rate classes;
- 3) Programs focusing on small business customers have TRC Test benefit-cost ratios that are reasonably similar to those for other customers;
- 4) The proposed cost recovery and reconciliation mechanisms reasonably assign EE&C program costs *within* the rate classes containing small business customers and are consistent with sound utility ratemaking policy;
- 5) These or any other aspects of the Company’s filing are unreasonably discriminatory to small business customers.

The OSBA is still evaluating the filing as well as the need to file direct testimony in this matter. However, to the extent that the OSBA may need to respond to issues raised by any of the other parties to this proceeding, the OSBA will submit the testimony of:

Mr. Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
(617) 354-0463 – Fax
rdk@indecon.com

Even if it does not file testimony, the OSBA reserves the right to brief legal questions.

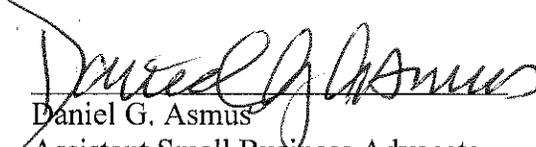
IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings and briefs, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail only is not acceptable.

V. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of the proceeding.

Respectfully submitted,


Daniel G. Asmus
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Attorney ID 83789

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Dated: December 18, 2012

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of Pennsylvania Electric Company for :
Approval of its Act 129 Phase II Energy : Docket No. M-2012-2334392
Efficiency and Conservation Plan :**

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-filing, e-mail and/or first-class mail (unless otherwise noted) upon the persons addressed below:

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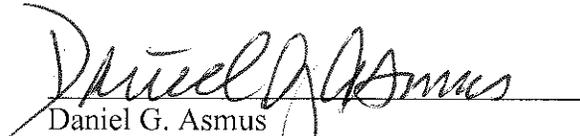
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