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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | | **IN REPLY PLEASE REFER TO OUR FILE** |
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April 19, 2013

Docket No. M-2012-2333992

JACK R. GARFINKLE

EXELON BUSINESS SERVICES CO.

2301 MARKET ST

PO BOX 8699

PHILADELPHIA, PA 19101-8699

RE: *Petition of PECO Energy Company for Approval to Amend its Act 129 Phase II Energy Efficiency and Conservation Plan to Continue its Mass Market Direct Load Control Program from June 1, 2013 to May 31, 2014*

Dear Mr. Garfinkle:

On March 15, 2013, PECO Energy Company’s Petition for Approval to Amend its Act 129 Phase II Energy Efficiency and Conservation Plan to Continue its Mass Market Direct Load Control Program from June 1, 2013 to May 31, 2014, was accepted for filing and entered at Docket No. M-2012-2333992 with the Public Utility Commission. In order for us to complete our analysis of this Petition, the Commission requests that PECO Energy Company respond to the attached Information Request.

Please respond to the Secretary’s Bureau **by close of business on April 26, 2013**, and serve the response on the three Parties listed below that filed Answers to the Petition.

The response should **be verified per 52 Pa Code § 1.36.** Accordingly, please provide the following statement with the response:

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.  I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

The blank should contain the name of the appropriate company representative, and the signature of that representative should follow the statement.

To expedite completion of the Commission’s review of the Petition, please e-mail your response to Megan Good at megagood@pa.gov. You may also direct any questions to Megan Good, Bureau of Technical Utility Services, at (717) 425-7583.

 Sincerely,

Rosemary Chiavetta

Secretary

Enclosure

cc: Cheryl Walker Davis, Director, Office of Special Assistants

Kenneth Villwock, Office of Special Assistants

Megan Good, Bureau of Technical Utility Services

Heather M. Langeland, Citizens for Pennsylvania’s Future

Jeffrey J. Norton, Comverge, Inc.

Aron J. Beatty, Office of Consumer Advocate

Docket No. M-2009-2333992

*Petition of PECO Energy Company for Approval to Amend its Act 129 Phase II Energy Efficiency and Conservation Plan to Continue its Mass Market Direct Load Control Program from June 1, 2013 to May 31, 2014* PECO Energy Co.

**Information Request**

1. Table A-2 of PECO’s Phase II EE&C plan provides average avoided costs for transmission and distribution (by sector and year) in dollars per kilowatt-hour ($/kWh). However, these values were ultimately monetized as a capacity benefit through a calculation involving the peak demand (kW) impact of each program. This appears to be a departure from PECO’s Phase I approach which monetized transmission and distribution benefits through a calculation based on the energy (kWh) savings of each program. Why are T&D benefits tied to demand savings rather than energy savings?

2. How were the $/kWh values in Table A-2 converted to a dollars per kilowatt ($/kW) value for use in the Total Resource Cost (TRC) Test calculations?

3. If load shapes or on-peak/off-peak ratios were used in the conversion, how were these values aggregated for programs which contain a variety of measures that affect different end uses?

4. The values in Table A-2 appear to be approximately equal to the full distribution and transmission charges PECO bills to its customers. Can PECO provide a description of the actual expenditures that are avoided through peak demand reduction?

5. For the Residential Smart AC Saver program, benefits of $270/kW are assigned to the estimated demand impact of the program. Has PECO compared this to values used in other jurisdictions? If so, what were the results of this comparison? Has PECO examined what the “break-even” value of transmission and distribution benefits is for the program? What $/kW figure will return an estimated TRC ratio of 1.0 for the program?