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March 19, 2014

VIA OVERNIGHT FEDERAL EXPRESS

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

MAR 19 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: West Penn Power Company Final Annual Report to the Pennsylvania
Public Utility Commission and Act 129 Statewide Evaluator
M-2009-2093218

Dear Secretary Chiavetta:

Pursuant to Staff's request, enclosed please find an original and copy of amended pages 15-16 of the Final Annual Report to the Pennsylvania Public Utility Commission and Act 129 Statewide Evaluator for the period June 2012 through May 2013, Program Year 4.

Please date stamp the copy and return to me in the enclosed, postage-prepaid envelope. Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Carrie M. Dunn

Enclosures

Final Annual Report to the Pennsylvania Public Utility Commission

**For the Period
June 2012 through May 2013
Program Year 4**

For Pennsylvania Act 129 of 2008
Energy Efficiency and Conservation Plan

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MAR 19 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Prepared by ADM Associates, Tetra Tech, NMR Group, and West Penn Power Company

For

West Penn Power Company
Docket No. M-2009-2093218

November 15, 2013
Amended Report, Filed March 19, 2014

Low Income Sector

Act 129 mandates that the number of measures offered to the low-income sector be proportionate to the low-income sector's share of total energy usage.¹¹ There are 10 measures available to the low-income sector and 42 measures available in total across all customer sectors¹². The measures offered to the low-income sector therefore comprise 23.8 percent of the total measures offered. This exceeds the fraction of the estimated electric consumption of the utility's low-income households divided by the total electricity consumption in the West Penn Power territory (8.5 percent). These values are shown in Table 1-2.

Table 1 2: Low-Income Sector Compliance Metrics

	Low-Income Sector	All Sectors	% Low-Income
# of Measures Offered	10	42	23.8%
Electric Consumption (MWh/yr)	1,788,009	21,043,842	8.5%

The CPITD reported gross energy savings for low-income sector programs (excluding low-income participation in non-low-income programs) is 19,194 MWh/yr; this is 2.7 percent of the CPITD total portfolio reported gross energy savings.

Including low-income customer participation in non-low-income programs, the CPITD reported gross energy savings achieved is 42,560 MWh/yr; this is 6.1 percent of the CPITD total portfolio reported gross energy savings.

The CPITD verified gross energy savings achieved for low-income programs (excluding low-income participation in non-low-income programs) is 18,371 MWh/yr; this is 2.6 percent of the CPITD total portfolio verified gross energy savings.¹³

¹¹ Act 129 includes a provision requiring electric distribution companies to offer a number of energy conservation measures to low-income households that are "proportionate to those households' share of the total energy usage in the service territory." 66 Pa.C.S. §2806.1(b)(i)(G). The legislation contains no provisions regarding targets for participation, or energy or demand savings.

¹² To keep calculations tractable, measures are grouped into homogeneous categories. For example, the "WARM Plus" low-income program offers more than 100 distinct measures, but it is counted as one of the seven broad measures available solely to low-income customers. Likewise, there may be scores of variants of linear fluorescent lamps rebated by the Efficient Equipment programs, but they are also categorized in the same group.

¹³ See the "Report Definitions" section for an explanation of how CPITD verified gross savings are calculated.

Including low-income customer participation in non-low-income programs, the CPITD reported verified energy savings achieved is 64,121 MWh/yr; this is 9.1 percent of the CPITD total portfolio reported gross energy savings.¹⁴ ¹⁵

Government, Nonprofit and Institutional (GNI) sector

Act 129 mandates that a minimum of 10% of the required energy and demand targets be obtained from units of federal, state and local governments, including municipalities, school districts, institutions of higher education and nonprofit entities. Herein, this group is referred to as the government, nonprofit and institutional (GNI) sector.

The energy savings compliance target for the GNI sector for West Penn Power is 63 GWh/yr, which must be obtained by May 31, 2013. Based on CPITD verified gross energy savings¹⁶, West Penn Power achieved 240 percent of the target. These values are shown in Figure 1-3.

¹⁴ The Energy Savings achieved in the low-income sector starting with the PY4Q2 report are calculated according to the procedure in the PY3 Annual report (page 14). This is a shift from the previous calculation procedure that was used for the PY4Q1 report, and the new methodology results in smaller claimed impacts, thus the adjustment from the PY4Q1 report.

¹⁵ The estimated cost of low-income savings from non-low-income programs is \$5,004,501.

¹⁶ See the "Report Definitions" section for an explanation of how CPITD verified gross savings are calculated.