

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17105-3265**

**Petition of West Penn Power Company  
d/b/a Allegheny Power for Approval of its  
Energy Efficiency and Conservation Plan**

**Public Meeting: October 15, 2009  
2093218-OSA  
Docket No: M-2009-2093218**

**Statement of Vice Chairman Tyrone J. Christy**

Before the Commission for consideration is the Petition of West Penn Power Company d/b/a Allegheny Power (Allegheny) for Approval of its Energy Efficiency and Conservation Plan (Plan). Allegheny filed this Plan pursuant to Act 129 of 2008 (Act 129) and our Implementation Order of January 16, 2009 at Docket No. M-2008-2069887. Numerous parties intervened, filed comments, main briefs and reply briefs, and the entire record was certified to the Commission for consideration and disposition.

First, I would like to express my sincere gratitude to the Commission employees within the Office of Special Assistants, the Law Bureau, the Bureau of Conservation, Economics and Energy Planning, the Bureau of Fixed Utility Services, the Bureau of Consumer Services, the Office of Administrative Law Judge and the Office of Trial Staff for their efforts in these complex proceedings involving our major jurisdictional electric utilities. I commend them for providing thorough and extensive Opinion and Orders for each of these proceedings, simultaneously and under a strict legislative timeline. This has truly been a team effort which deserves our recognition. I also would like to thank the many interveners for their efforts and participation in these proceedings.

While the Commission is declining to approve Allegheny's proposed Distributed Generation (DG) program at this time, I highly encourage Allegheny to refine the program for resubmission to the Commission. There are many positive aspects to this program that should not be discarded. Allegheny had targeted a peak demand reduction goal of over 28 MW from this program. Unfortunately, the costs and benefits as provided by Allegheny do not pass the TRC test. I would ask Allegheny to reevaluate the level of claimed benefits as they appear to be understated. These benefits would include the value of avoided peak energy as well as consideration of the value associated with enhanced reliability. I would also ask Allegheny to reassess the level of incentives that it intends to allocate to participating customers. Reexamination of these two components could result in a more favorable TRC result.

While I support the Chairman's recommendation regarding the WPPII rate design proposal as this is reasonable, I do not support the further recommendation regarding Allegheny's Contract Demand and Customer Load Response Programs. I believe that Allegheny has submitted an overall Plan that complies with Act 129, and it is not this Commission's responsibility to implement measures above and beyond the direction received from the legislature. Therefore, I will concur, in part, and dissent, in part, to the Chairman's Motion.

I am voting today to approve Allegheny's Plan as modified by this Opinion and Order, with the exception of the above mentioned issue, but I do have an overriding concern about the

overall cost effectiveness of the Plan. It is very important that the Commission exercise judicial efficiency during the implementation phase of the Plan elements. This Order includes numerous requirements regarding meetings, stakeholder working groups, evaluation reports and other regulatory mandates. As we strive for perfection in the implementation of Act 129, we must be careful to preserve the expected savings for Pennsylvania's electric consumers and not evaporate these savings with overly burdensome administrative and regulatory related costs.

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**DATE**

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**VICE CHAIRMAN TYRONE J. CHRISTY**