

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Petition of West Penn Power
Company d/b/a Allegheny
Power for Approval of
Recovery of its Costs through
a Reconcilable Adjustment
Clause and Approval of
Matters Relating to the Energy
Efficiency and Conservation
Plan**

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

**STATEMENT OF
COMMISSIONER ROBERT F. POWELSON**

Before us today for disposition is the Energy Efficiency and Conservation Plan filed by West Penn Power Company d/b/a Allegheny Power ("Allegheny" or "Company") pursuant to Act 129 of 2008 ("Act 129").

Let me first commend Commission staff for all of the hard work they have put in since Act 129 was passed last fall, and specifically, for their recent efforts in reviewing the extensive documents filed by the parties, analyzing the positions, and producing comprehensive Orders. This was truly a team effort on all fronts and your efforts do not go unnoticed.

I also want to recognize Allegheny's efforts in formulating its plan.

With the passage of Act 129, Pennsylvania's electric distribution companies ("companies" or "EDCs") were tasked with meeting ambitious consumption reduction targets. The companies were given great latitude in designing programs to meet these goals. It is my belief that the Commission's role is not to second guess the design of the companies' energy efficiency and conservation programs. Similarly, I believe the Commission should not micro-manage the implementation of those programs. Rather, it is the Commission's duty to ensure that the plans presented meet the requirements set forth in Act 129.

I would, however, like to put the companies on notice that the Commission will be monitoring their progress very closely. While the EDCs were given great latitude in designing their programs, to quote President Truman, the buck stops with them – I will

not hesitate to push for the maximum allowable penalty of \$20 million should any of the companies fail to meet the consumption reduction targets.

Concerning Allegheny's Act 129 Plan specifically, I agree with the concerns expressed by the Office of Consumer Advocate regarding the Company's heavy reliance on smart meter technology. Such reliance comes with many risks – there are a lot of moving parts associated with rolling out smart meter technology, and problems at any stage of the implementation process could result in the failure of the Company to meet its Act 129 targets. However, as mentioned previously, the risk is all on the Company, and if it believes this is the best course of action to meet those targets, it should be given that opportunity.

I would like to note my partial dissent, however, with regard to the Company's Contract Demand and Customer Load Response programs. The majority today believes that the Company should take further steps than those proposed in its plan, and ultimately agreed to by the parties, to enhance curtailment service provider competition. While I may agree with the majority in the abstract, I reiterate that I do not believe it is the Commission's role to revise programs that otherwise comply with the requirements set forth in Act 129.

DATE: October 15, 2009



**ROBERT F. POWELSON
COMMISSIONER**