

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 27, 2011

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

RE: Joint Petition of Metropolitan Edison  
Company, Pennsylvania Electric Company  
and Pennsylvania Power Company for  
Amendment of the Orders Approving  
Energy Efficiency and Conservation Plans  
and Petition for Approval of First Amended  
Energy Efficiency and Conservation Plans  
Docket Nos. M-2009-2092222  
M-2009-2112952  
M-2009-2112956

Dear Secretary Chiavetta:

Enclosed for filing please find the Office of Consumer Advocate's Prehearing Memorandum, in the above referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Candis A. Tunilo".

Candis A. Tunilo  
Assistant Consumer Advocate  
PA Attorney I.D. # 89891

Enclosure

cc: Hon. Dennis J. Buckley/ALJ  
142151

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company	:	Docket Nos. M-2009-2092222
and Pennsylvania Power Company for	:	M-2009-2112952
Amendment of the Orders Approving Energy:	:	M-2009-2112956
Efficiency and Conservation Plans and	:	
Petition for Approval of First Amended	:	
Energy Efficiency and Conservation Plans	:	

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the April 13, 2011 Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

**I. INTRODUCTION**

On February 18, 2011, the Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company (the FirstEnergy Companies) filed a Joint Petition concerning their Energy Efficiency and Conservation (EE&C) Plans. In their Petition, the Companies requested Commission approval to modify their EE&C Plans. The Office of Consumer Advocate (OCA) filed an Answer to the Petition on March 10, 2011.

This Petition was assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Dennis J. Buckley for investigation and the scheduling of hearings. On April 13, 2011, ALJ Buckley issued a Prehearing Conference Order, detailing the parties' obligations with respect to the Prehearing Conference. The OCA submits this Prehearing Memorandum in anticipation of the scheduled April 29th conference.

## II. ISSUES AND SUB-ISSUES

As discussed in the OCA's Answer, the FirstEnergy Companies have proposed changes in their EE&C Plans for all customer groups. The proposed changes for large C&I programs includes an increase in the existing budget. For all other programs, the Companies are proposing to shift funds from under-performing programs to other programs or components of programs. Petition at ¶20. The OCA supports the Companies' efforts to modify and adjust the program offerings in order to gain the greatest benefit for customers while achieving the mandated reductions. The OCA has participated in the FirstEnergy stakeholder process (see Petition at ¶18), and commends the Companies for their continued focus on improving their EE&C Plans.

The Companies' Petition includes a number of changes, some significant and some minor. For Residential Customers, the Companies propose to:

- Consolidate the Residential Whole Building Comprehensive Program with the Home Energy Audit and Outreach Program;
- Add a new Behavioral Modification Program;
- Increase incentives for residential air conditioner and heat pump tune-ups;<sup>1</sup>
- Alter the upstream incentives for CFLs to increase market penetration;
- Add Energy Conservation Kits for multi-family residential and master-metered facilities; and
- Replace the Pump and Motor Single Speed with a Variable Speed Pool Pump and increase the incentive level.

Petition at ¶29.

For Large C&I customers, the Companies propose to:

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<sup>1</sup> This measure was the subject of an expedited Petition. The Commission approved this proposed change by Order entered March 18, 2011, at the above-captioned dockets.

- Increase the Companies' budgets for Large C&I customers primarily to make up the 11% deficit in peak demand reduction savings created by the loss factor adjustment and to add funds to the Large C&I Equipment Program;
- Consolidate the Industrial Motors and Variable Speed Drive Program with the Large C&I Equipment Program; and
- Alter the incentive structure and incentive level for the Large C&I lighting component of the C&I Equipment Program.

Petition at ¶¶23-26.

For Small C&I customers, the Companies propose to:

- Expand the peak load reduction program to include the Small C&I class;
- Alter the incentive structure and incentive level for the Small C&I lighting component of the C&I Equipment Program;
- Add a direct install component to the Small C&I Equipment Program that will target strip malls, small grocery stores and certain restaurants;
- Consolidate the Energy Audit and Technical Assessment Program with the Small C&I Equipment Program; and
- Add a new energy conservation kit to the Small C&I Equipment Program through opt-in distribution.

Petition at ¶¶27-28.

For Government customers, the Companies propose to:

- Increase incentive levels consistent with the levels offered to Large C&I customers and Small C&I customers.<sup>2</sup>

Petition at ¶30.

In addition to these changes, the Companies propose changes to the EEC-C Rider and the Company is proposing "changes to streamline administration" of their Plans. Petition at ¶¶32-

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<sup>2</sup> This measure was the subject of an expedited Petition. The Commission approved this proposed change by Order entered March 18, 2011, at the above-captioned dockets.

40. As part of this process, the Companies are proposing modifications that would allow for “future changes to programs without the need to seek further Commission approval.” Id.

The OCA will review these proposed changes to ensure that they are reasonable, and that only those costs that are incurred to directly benefit residential customers are assigned to the residential class

### **III. WITNESSES**

At this time, the OCA does not plan to submit direct testimony in this proceeding. As soon as the OCA has determined whether a witness or witnesses will be necessary for any portion of its case, the OCA will notify the Administrative Law Judge and all parties of record of its intent to proceed with a witness and identify the witness(es).

### **IV. PROPOSED SCHEDULE**

The OCA is working with the parties to develop a mutually acceptable schedule.

### **V. SERVICE ON OCA**

The OCA will be represented in this case by Aron J. Beatty and Candis A. Tunilo. Two copies of all documents should be served on the OCA as follows:

Aron J. Beatty  
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Office of Consumer Advocate  
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### **VI. SETTLEMENT**

The OCA is willing to participate in settlement discussions.

## VII. PUBLIC INPUT HEARINGS

At present, the OCA has not received a request for a public input hearing. The OCA will make prompt notification and request a public input hearing should circumstances warrant.

Respectfully Submitted,

*Candis A. Tunilo*

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Dated: April 27, 2011  
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CERTIFICATE OF SERVICE

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company	:	Docket Nos. M-2009-2092222
and Pennsylvania Power Company for	:	M-2009-2112952
Amendment of the Orders Approving Energy	:	M-2009-2112956
Efficiency and Conservation Plans and Petition	:	
for Approval of First Amended Energy	:	
Efficiency and Conservation Plans	:	

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 27<sup>th</sup> day of April 2011.

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