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July 9, 2008

Honorable James J. McNulty
Secretary
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Re: Review and Approval of Pike County Power & Light Company
Customer Outreach and Education Plan
Docket Nos. M-00061957, M-2008-2032266

Dear Secretary McNulty:

Under cover letter dated December 28, 2007, Pike County Light & Power Company ("Pike") filed its Customer Outreach and Education Plan ("Plan") with the Pennsylvania Public Utility Commission ("Commission"). Since then, Pike has discussed the contents of the Plan with Commission Staff. Based upon those discussions, Pike hereby files the enclosed supplemental information relating to the Plan. Specifically, Pike includes a five year budget for the Plan, as well as a proposed recovery mechanism for those costs that Pike incurs in implementing the Plan. As you will note, Pike's budget for implementing the Plan is rather modest. This is due primarily to the fact that Pike, unlike many of the other electric utilities in Pennsylvania, no longer operates under rate caps. As to the enclosed five-year budget, Pike reserves the right to reallocate funds among the various cost categories (subject to the overall annual budget figure) in order to address changing circumstances and customer needs.

Regarding cost recovery, Pike currently does not have a mechanism available to recover the costs of incremental assessments either for its portion of a statewide consumer education campaign or for the costs of the Plan. The Commission's Order entered on May 17, 2007 at Docket No. M-00061957, provides (at 8) that a "specific cost-recovery mechanism should be proposed as an element of each filing" to recover the costs of the EDC's individual consumer education plan. Additionally, regarding the costs associated with the statewide consumer education campaign, the Order states that these costs will be included in the annual assessments pursuant to 66 Pa. C.S. § 510 and may be recovered in the same manner as other assessed costs are recovered, or "[i]n the

alternative, utilities may propose a different recovery mechanism as part of their consumer education filing." Order at 11.

Accordingly, Pike requests that the Commission authorize Pike's establishment of a Customer Outreach and Education Plan Cost Recovery component within its existing System Benefits Charge ("SBC") to recover the costs associated with the Plan, in addition to the costs of incremental assessments for Pike's share of the costs of any statewide consumer education campaign. As a component of the SBC, the Customer Outreach and Education Plan Cost Recovery component will be fully reconciled annually in accordance with Section 1307(e) of the Pennsylvania Public Utility Code. Pike's SBC reconciliation filings are made by January 31 of each year, with new rates to become effective on the following April 1.

In conclusion, Pike requests that, following Commission approval of the Plan, the Commission authorize Pike to implement the Consumer Education Program Cost Recovery component of its SBC by filing a tariff supplement on thirty days notice.

Please contact me if you have any questions regarding this matter. Please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

Very truly yours,


John L. Carley
Assistant General Counsel

c: Office of Trial Staff
Office of the Small Business Advocate
Office of Consumer Advocate
Tom Charles (via email)

PCL&P CONSUMER OUTREACH & EDUCATION

2008 PROJECTED COSTS

Print communications: customer newsletters, bill inserts, news releases, direct mail, flyers, handouts.....	\$10,000
Print and Electronic advertising	\$ 4,000
Participation in community events.....	\$ 2,000
Promotions: Customer Service Center Grand Opening.....	\$ 4,000
	TOTAL: \$ 20,000

2009 – 2012 PROJECTED COSTS

Print communications: customer newsletters, bill inserts, news releases, direct mail, flyers, handouts.....	\$ 8,000
Print and Electronic advertising	\$ 5,000
Participation in community events.....	\$ 2,000
	TOTAL: \$ 15,000