

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

March 19, 2010

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Pennsylvania Public Utility Commission

v.

Philadelphia Gas Works
Docket No. R-2009-2139884

Philadelphia Gas Works' Revised Petition
for Approval of Energy Conservation and
Demand Side Management Plan
Docket No. P-2009-2097639

Dear Secretary McNulty:

Enclosed for filing are the Answer of the Office of Consumer Advocate and Affidavit of David Nichols in Response to the Joint Motion for Partial Summary Judgment of Philadelphia Gas Works and the Clean Air Council, in the above-referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Darryl Lawrence", written over a horizontal line.

Darryl Lawrence
Assistant Consumer Advocate
PA Attorney I.D. # 93682

Enclosures

cc: Honorable Charles E. Rainey, Jr.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:		
	:		
v.	:	Docket No.	R-2009-2139884
	:		
Philadelphia Gas Works	:		
	:		
Philadelphia Gas Works' Revised Petition	:		
For Approval of Energy Conservation and	:		P-2009-2097639
Demand Side Management	:		

ANSWER OF THE OFFICE OF CONSUMER ADVOCATE
AND AFFIDAVIT OF DAVID NICHOLS IN RESPONSE
TO THE JOINT MOTION FOR PARTIAL SUMMARY
JUDGMENT OF PHILADELPHIA GAS WORKS
AND THE CLEAN AIR COUNCIL

I. INTRODUCTION

The Office of Consumer Advocate (OCA) files this Answer to the Motion for Partial Summary Judgment (Motion) filed by Philadelphia Gas Works (PGW or Company) and the Clean Air Council (Council), (collectively, Petitioners) pursuant to 52 Pa. Code Section 5.102(b). The OCA submits its Answer¹ and the attached Affidavit of David Nichols². A comprehensive discussion of the Petitioners' request for partial summary judgment regarding the

¹ This Answer begins with OCA's prose response to the Petitioners' Motion. Section III of this Answer provides the OCA's paragraph-by-paragraph legal response to the Petitioners' Motion.

² David Nichols is a Senior Consultant at Synapse Energy Economics, Inc., a firm providing consulting services in the areas of energy and utilities. Previously, Dr. Nichols was the Co-founder, Vice President and Director of the Tellus Institute for Resource and Environmental Strategies for twenty-five years. Dr. Nichols has presented expert testimony in the areas of: energy efficiency, renewable energy, utility rate design and cost allocation across the United States and Canada. Dr. Nichols has worked on the development and implementation of numerous demand side management and energy efficiency plans and programs. Dr. Nichols has also authored and co-authored numerous publications, papers and reports on a broad range of energy-related topics including demand side management and energy efficiency.

early implementation of PGW's proposed Enhanced Low-Income Retrofit Program (LI Retrofit) and the Comprehensive Residential Heating Retrofit Program (collectively, the Residential DSM Programs) can be found in a brief being filed today by the OCA.³ For all the reasons that follow, the OCA submits that Petitioners' Motion for partial summary judgment as to the early implementation of the Residential DSM Programs must be denied.

To be clear, the OCA is not opposed to PGW's proposal to implement DSM and energy efficiency programs. The OCA submits, however, that Petitioners are not entitled to summary judgment in this matter and that early implementation of these programs during a base rate proceeding for a cash flow utility like PGW is not reasonable. Many issues remain unresolved regarding PGW's DSM programs in general, and the OCA and other parties have not even had an opportunity to file their direct testimony setting forth their analyses and recommendations. Issues that are likely to be addressed include, but are not limited to: how much money should PGW be authorized to spend on these programs; should PGW allow all rate classes the ability to participate in these DSM programs; how does PGW intend to shed the excess capacity if indeed demand reductions are seen; whether there are any program design elements that should be modified or added; and how the programs should be deployed and the pace of that deployment. Moreover, the Commission has scheduled a series of public input hearings where PGW's customers may present their own views on these issues. These issues and many more are being actively investigated by the OCA and other parties to this base rate case, and the OCA submits that it would be unreasonable to render a decision on this issue at this point in time before all of the relevant facts have been adduced, all of the testimony heard, and an ALJ decision rendered.

³ Along with this Answer, the OCA will be filing a Brief as provided for in 52 Pa. Code Section 5.302(b), in response to Petitioners' Request for Interlocutory Review.

II. DISCUSSION

A. Introduction

The Commission's regulations provide guidance on motions for partial summary judgment, in relevant part as follows:

§ 5.102. Motions for summary judgment and judgment on the pleadings.

...
(d) Decisions on motions.

...
(2) Standard for grant or denial in part. The presiding officer may grant a partial summary judgment if the pleadings, depositions, answers to interrogatories and admissions, together with affidavits, if any, show that there is no genuine issue as to a material fact and that the moving party is entitled to a judgment as a matter of law on one or more but not all outstanding issues.

52 Pa. Code § 5.102(d)(2). Pennsylvania courts have also provided substantial discussions on the subject of summary judgment. As to the existence of a material fact, it has been held that in determining the absence of a genuine issue of fact, the evidence must be viewed in the light most favorable to the non-moving party and any doubt must be resolved against the entry of judgment. The courts will accept as true all well-pleaded facts in the non-movant's pleadings and give the non-moving party the benefit of all reasonable inferences. Wright v. North American Life Assurance Co., 372 Pa. Super. Ct. 272 (1988); Bobb v. Kraybill, 354 Pa. Super. Ct. 361 (1986); see also, South River Power Partners, L.P. v. West Penn Power Co., 86 Pa PUC 477, 483 (1986). Also, the courts are not to decide issues of fact, but rather are to determine whether such material issues of fact exist. Sanders v. Loomis Armored, 418 Pa. Super. Ct. 375 (1992). It is the moving party which has the burden of proving the absence of a genuine factual issue. Campbell v. Eitak, Inc., 2006 Pa. Super. Ct. 26. PGW has failed to provide the necessary legal support for its request. Further, as was mentioned above and will be discussed below, genuine issues of material fact do exist.

B. Genuine Issues of Material Fact Exist in this Matter

As the above discussion shows, well-settled law in this area places the burden squarely on PGW to prove that no material facts exist in this matter. To this end, PGW has failed to meet its burden. On the contrary, the OCA submits that numerous factual issues remain to be resolved throughout the course of this base rate proceeding as to PGW's proposed DSM programs.

OCA witnesses are continuing to analyze the Company's proposed DSM programs through a review of the testimony and discovery in this matter to date, as the attached Affidavit of OCA witness Dr. David Nichols (Affidavit) indicates. As the procedural schedule for this case provides, the direct testimony of all parties other than PGW is due on Friday, March 26, 2010. At that time, the OCA will be providing a thorough discussion of the entirety of PGW's proposed DSM programs, including specific recommendations as to those programs. In addition, the OCA's briefs and subsequent testimony in this matter will provide additional levels of detail as to PGW's DSM programs that simply cannot be provided in this format, or at this time. As to factual issues that remain unanswered, the attached Affidavit provides many examples that, in and of those facts alone, tend to show that this issue is not suitable for summary judgment. The OCA will highlight in this section some of the key issues that it continues to analyze in preparation for its testimony.

First, what is the appropriate level of spending for the Residential DSM Programs, or for that matter, for the entirety of PGW's proposed DSM programs. OCA witnesses are currently reviewing the materials provided by PGW to date, and are continuing to pursue discovery on these and related issues. See Affidavit at ¶ I. The appropriate level of funding of these programs is an important part of this rate case, as the OCA will discuss in greater detail later in this Answer, because PGW is a cash flow utility. Decisions made now based on less than complete information as to the proper level of spending for these programs could be very difficult to

rectify in the decisional phase of the rate case. Also, the OCA has sought to explore PGW's claims that it will "leverage" or "coordinate" its DSM programs as set forth in Paragraph 7 of the Stipulation and Partial Settlement. PGW has not yet been able to provide any details or confirmation of such possibilities but has confirmed that an early start to programs has no nexus to ARRA funding. Affidavit at ¶ I.7; OCA Set V, Nos. 1-9 (attached).

Second, the OCA continues to consider the most reasonable deployment schedule given the resources available and which programs should be deployed first. Issues regarding the availability of programs for all customer classes and which programs provide the most immediate benefit must also be analyzed. The OCA is also concerned with the simultaneous deployment of the Comprehensive Residential Heating Retrofit Program (CRHRP) for several reasons. Affidavit at ¶ I. In particular, PGW has made no showing of sufficient vendor infrastructure to support this program. Throughout this proceeding, through its testimony and briefs, the OCA will provide its thoughts and recommendations as to this issue. But, at the present time, the OCA is continuing to explore the facts of this matter. Affidavit at ¶ I.

Third, the OCA is concerned as to the lack of any plan or details from PGW as to the shedding of capacity, if in fact any of the Company's DSM programs create a situation where sustained demand is falling. PGW retains substantial amounts of reserve capacity in order to meet demands placed on the system. This capacity comes at a direct cost to PGW's customers. Demand reductions should positively correlate with reductions in capacity, and thus could create savings opportunities for customers. The OCA and its witnesses are currently exploring these issues through the discovery process. At the present time, however, there are factual issues that have yet to be explored and some that are definitely in dispute as to any quantitative analysis of

the “benefits” that may come about through the early implementation of the Residential DSM Programs.

Fourth, the OCA is examining whether there are any program design elements that should be modified or added. By way of example, PGW proposed to deliver Compact Fluorescent Light bulbs (CFLs) to participating homes. This is an electric measure duplicative of PECO’s energy efficiency program measure. PGW has no firm or detailed plans to coordinate with PECO or to receive funding from PECO for this measure. This is a critical program detail that requires further development. Affidavit at ¶ I.4.

In addition, the procedural schedule in these consolidated proceedings has established that a slate of public input hearings will occur in PGW’s service territory on April 6 through April 8, 2010. These public input hearings will provide a valuable opportunity for PGW’s customers to voice their concerns and opinions about, not only PGW’s request for a revenue increase, but also about PGW’s proposed DSM programs. The OCA is keenly interested in receiving the input of PGW’s customers regarding this proposal before the program proceeds and significant ratepayer dollars are expended.

As discussed, there are numerous factual issues and conflicts that need to be resolved in this matter. The OCA expects that many of these issues will be subject to further discussions amongst the parties during the course of this proceeding, and potentially the parties may be able to resolve at least some of the disputed facts through further testimony and discovery. At the present time, however, the Petitioners’ motion for partial summary judgment on this issue is premature and must be denied.

C. PGW is Not Entitled To Judgment as a Matter of Law

In the preceding section, and in the attached Affidavit, the OCA has detailed some of the many factual issues that are yet to be answered, analyzed further and potentially resolved during the course of this base rate proceeding. It should be clear that the issue of early implementation of PGW's proposed Residential DSM Programs lacks the requisite clarity at this point to support its petition for summary judgment. The Petitioners are also not entitled to judgment as a matter of law.

In the Motion, Petitioners argue that Section 1319 of the Public Utility Code enables the Commission to grant summary judgment on this issue "when the Commission has reasonable and reliable indices that the programs are prudent, cost-effective and will save customers money." Motion at 9. As discussed previously, the OCA is not opposed to PGW's proposal to implement DSM programs. At this point in time, however, the OCA submits that summary judgment as a matter of law is inappropriate. Contrary to PGW's assertions, Section 1319 does not require the Commission to approve of any matter. Section 1319 states:

Financing of energy supply alternatives-

(a) RECOVERY OF CERTAIN ADDITIONAL EXPENSES.--
If:

(1) a natural gas or electric public utility elects to establish a conservation or load management program and that program is approved by the commission after a determination by the commission that the program is prudent and cost-effective

66 Pa.C.S. § 1319(a)(1). What Section 1319 provides is that the Commission allow recovery of prudent and reasonable costs if the program is approved by the Commission. It is still within the Commission's discretion to determine whether it will approve these programs.

As such, PGW is not entitled to judgment as a matter of law.

D. The Relief Sought by Petitioners is Particularly Inappropriate for a Cash Flow Utility like PGW

The OCA submits that, in addition to not meeting the legal standards required to grant the motion for summary judgment, PGW's motion must be denied due to its potential financial consequences.

PGW is seeking the ability to expand the current level of DSM activities for residential customers, and in conjunction is seeking to recover the additional costs of the Low Income Retrofit immediately from ratepayers and to defer the CRHRP costs for future recovery.⁴ PGW's proposal puts ratepayers and PGW itself at considerable risk. For example, were the Commission to grant early implementation of the Residential DSM Program now, only to conclude later, after having had the opportunity to review all of the relevant evidence, that a different decision should have been reached – it will be too late. PGW will have already spent some sums of money on expanded DSM programs, some of which will have been collected from ratepayers and some deferred. If a refund is required, or collection of deferred amounts denied, this could have significant financial consequences for a cash flow utility. PGW continually states that it must have certain revenue increases or be in jeopardy with respect to its bond rating. PGW also states in this Petition, however, that it will bear the risk when it comes to early implementation costs. In reality, PGW will have to turn to its ratepayers if the Commission finds that it should not have proceeded with these programs as proposed.

Given the realities of the cash flow method of ratemaking, the Commission should take no solace in PGW's argument that the parties would retain their right to challenge cost recovery.

⁴ Just to be clear, "cost recovery" here does not encompass the issue of "lost revenue recovery." That is a totally separate and distinct issue from the recovery of whatever additional monies are spent in providing expanded DSM activities for the residential class.

E. Conclusion

In sum, the OCA is not opposed to PGW's proposal to implement prudent and reasonable DSM programs. The OCA is strongly opposed, however, to PGW's premature request to implement certain programs before any of the relevant facts are known. The presiding ALJ and the Commission should have the opportunity to view the totality of the DSM issues, including the public comments thereto before deciding this issue.

III. ANSWER

AND NOW comes the OCA with its ANSWER to the Petitioners' Motion for Partial Summary Judgment. The OCA specifically avers as follows:

1. Admitted.
2. Admitted.
3. This paragraph provides a legal conclusion to which no response is required.
4. This paragraph provides a legal conclusion to which no response is required.
5. This paragraph provides numerous legal conclusions to which no response is required.
6. This paragraph provides numerous legal conclusions to which no response is required. To the extent that a response is deemed appropriate, the specific averments as to "no-cost energy audits" are denied. The costs of the energy audits may not be charged to the participants, but will be paid by PGW's ratepayers.
7. This paragraph provides numerous legal conclusions to which no response is required.

8. This paragraph provides numerous legal conclusions to which no response is required. To the extent that a response is deemed appropriate, the specific averments that “there can be no reasonable dispute” are denied. By way of further answer, it is impossible at this early stage of the proceeding to ascertain with any certainty whether the Residential DSM Programs will be so similar in kind to the existing CWP program such that comparisons of the type made by the Petitioners could reasonably be considered as accurate.

9. This paragraph provides numerous legal conclusions to which no response is required. To the extent that a response is deemed appropriate, the specific averments as to whether early implementation of the Residential DSM Programs is “in the public interest” are denied. By way of further answer, the OCA is without sufficient information at this point in time to admit or deny that PGW has sufficient resources to engage in the DSM expansion activities it discusses, and whether there is sufficient vendor infrastructure to support the program as these questions are still being pursued through discovery in the pending base rate case.

10. This paragraph provides numerous legal conclusions to which no response is required.

11. This paragraph provides numerous legal conclusions to which no response is required.

12. This paragraph provides numerous legal conclusions to which no response is required. As to the calculation of the benefit/cost ratios of the various programs, these averments are denied as the details of these calculations are still under review.

13. This paragraph provides numerous legal conclusions to which no response is required.

14. This paragraph provides numerous legal conclusions to which no response is required. To the extent that a response is deemed appropriate, the specific averments “will not prejudice any party’s right” are denied.

15. This paragraph provides a legal conclusion to which no response is required.

16. This paragraph provides numerous legal conclusions to which no response is required.

17. Admitted.

18. This paragraph provides numerous legal conclusions to which no response is required. To the extent that a response is deemed appropriate, the specific averments contained therein as to the issue of whether or not genuine issues of material fact exist in this matter are denied. By way of further answer, in the body of this document the OCA specifically set out and discussed numerous issues of material fact that remain in this matter and that accordingly preclude a grant of summary judgment.

19. This paragraph provides numerous legal conclusions to which no response is required. To the extent that a response is deemed appropriate, the specific averments contained therein that relate to whether Petitioners are entitled to judgment as a matter of law are denied. By way of further answer, in the body of this document the OCA discussed the reasons why Petitioners are not entitled to judgment as a matter of law in this matter.

20. Admitted, in part. It is admitted that the Commission has the authority to grant Petitioners’ Motion. It is denied, however, that the Petition of PECO referenced therein provides any support for Petitioners’ Motion here. See Motion at 9-10. The Petition of PECO is factually distinguishable from this case. Most notably, the PECO case involved a unanimous

settlement concerning a detailed electric program pursuant to Act 129 of 2008 that was ready for deployment and would benefit from coordination with a Department of Energy Program that was launching at the same time. Petition of PECO Energy for Approval of Its Act 129 EE&C Plan and Expedited Approval of its CFL Program, Docket No. M-2009-2093215 at 9 (Order Entered August 18, 2009) (PECO Order).

21. This paragraph provides numerous legal conclusions to which no response is required. To the extent that a response is deemed appropriate, it is denied that the Petition of PECO referenced therein provides any support for Petitioners' Motion here. See Motion at 9-10. The Petition of PECO is factually distinguishable from this case. Most notably, the PECO case involved a unanimous settlement concerning a detailed electric program pursuant to Act 129 of 2008 that was ready for deployment and would benefit from coordination with a Department of Energy Program that was launching at the same time. PECO Order at 9. The averments in subparagraph b are specifically denied.

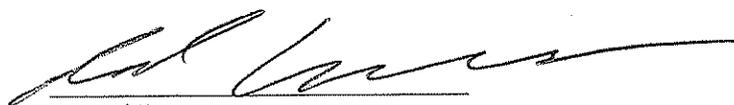
22. This paragraph provides numerous legal conclusions to which no response is required.

23. This paragraph provides numerous legal conclusions to which no response is required.

IV. CONCLUSION

For the foregoing reasons, the Petitioners' Motion for Partial Summary Judgment should be denied. Genuine issues of material fact exist in this matter, and accordingly, a grant of summary judgment should not be sustained. Moreover, Petitioners are not entitled to judgment as a matter of law for all the reasons discussed herein. The Office of Consumer Advocate respectfully urges the Commission to deny this Motion.

Respectfully Submitted,



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Dated: March 19, 2010
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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v.	:	Docket No.	R-2009-2139884
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Philadelphia Gas Works	:		
	:		
Philadelphia Gas Works' Revised Petition	:		
For Approval of Energy Conservation and	:		P-2009-2097639
Demand Side Management	:		

ATTACHMENT TO THE
ANSWER OF THE OFFICE OF CONSUMER ADVOCATE
AND AFFIDAVIT OF DAVID NICHOLS IN RESPONSE
TO THE JOINT MOTION FOR PARTIAL SUMMARY
JUDGMENT OF PHILADELPHIA GAS WORKS
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AFFIDAVIT OF
DAVID NICHOLS

My name is David Nichols. I am a Senior Consultant with Synapse Energy Economics. Inc., Cambridge, Massachusetts. Previously, I was a Co-founder, Vice President and Director of the Tellus Institute for Resource and Environmental Strategies for twenty-five years. I received an A.B. degree from Clark University and a Ph.D. degree from Massachusetts Institute of Technology.

I have presented expert testimony in the areas of energy efficiency, renewable energy, utility rate design and cost allocation across the United States and Canada. I have also worked on the development and implementation of numerous demand side management and energy efficiency plans and programs. I have authored and co-authored publications, papers and reports on a range of energy-related topics including demand side management and energy efficiency.

I am presently reviewing the natural gas DSM Plan submitted by PGW in the above dockets. My findings and recommendations will be described in testimony on behalf of the Office of Consumer Advocate. I have also reviewed the Joint Petition for Interlocutory Review of a Material Question and Approval of Partial Settlement recently submitted to this Commission by PGW and the Clean Air Council. My statements below address the Joint Petition in the context of my ongoing review of the DSM Plan.

I. One of the programs which the Joint Petition would implement early is the Comprehensive Residential Heating Retrofit Program (CRHRP), a whole house conservation program for existing homes that do not qualify for the Conservation Works Program (CWP). The CWP, the expansion of which the Joint Petition would also accelerate, is provided at no charge to participants. On the other hand the CRHRP would, according page 6 of the Stipulation

and Partial Settlement, require participants to “...pay a subsidized fee for specified measures...” On the same page, the Stipulation and Partial Settlement further specifies that the “CRHRP targets the 40% of residential non-low income customers with the highest annual consumption of natural gas.” At the present time I have the following concerns about early implementation of the CRHRP. Some or all of these concerns will be raised in my testimony on behalf of the Office of Consumer Advocate in Docket No. R-2009-2139884. As I am still reviewing discovery responses, other concerns may be raised there as well.

1. Marketing a program which requires customer cost contributions is different from and potentially more difficult than marketing the CWP. If marketing the program proves more difficult than Company expectations, extra energy savings expected from attempting to implement the program earlier than proposed in the DSM Plan (Exhibit JJP-6, Testimony of Mr. Plunkett, Docket No. R-2009-2139884) will be less than stated in the Joint Petition.
2. Apparently the Company now proposes to launch the new CRHRP at the same time as it substantially expands the CWP. I am not satisfied that the Company has demonstrated that the market vendor infrastructure in the region suffices to support participation targets for a CRHRP that is launched more or less simultaneously with an expanded CWP.
3. Targeting 40% of the potential customers for the new CRHRP raises equity issues, as compared with an alternative approach of marketing the program broadly to all eligible customers.

4. The Company plans to install compact fluorescent lamps (CFLs) in participating homes, which save electricity, not gas. Since the electric utility is operating DSM programs, PGW should coordinate this program with the electric utilities and PGW and should deliver this measure only to the extent that the costs of the measure are paid by the electric utility.
5. Instead of being launched earlier than in the DSM Plan schedule, as the Joint Petition proposes, the CRHRP should be launched at least one-quarter year later. A slightly delayed launch has the following benefits.
 - a. It will permit the Company to manage scaled-up delivery of CWP for a somewhat longer time before having to deal with launch of the CRHRP.
 - b. It will increase the demand for contractor program delivery services more gradually.
 - c. It will reduce the costs of the Company's overall DSM plan in its first full year, which is desirable to assure that the plan is not too costly to ratepayers.
6. I believe it important that a new DSM Plan offer program participation opportunities to all customer classes. If the CRHRP is launched before the non-residential programs in the DSM Plan are approved (if they are), then there will be a new program for one class of customers only.
7. The Stipulation and Partial Settlement states that PGW would "leverage" other program funding, for example by "coordination" of PGW programs with those of the Energy Coordinating Agency which presently offers low-income and non-low-income home conservation services, in order to "increase" services provided

(page 6). “Leverage” is not defined, the claim that “coordination” would increase results is unexplained and undocumented, and, most importantly for the claim of urgency, the relevance of an early start to realizing the (unexplained) benefits of leveraging is not asserted. When OCA asked some related discovery questions, attempting to understand whether any American Recovery and Reinvestment Act of 2009 (ARRA) monies would be lost to Pennsylvania absent an early start to PGW’s expanded residential DSM programs, the responses established no nexus between the amount of incoming ARRA funding and the timing of any new or expanded PGW programs. Please see attached responses to OCA Set V, Nos. 1-9.

II. At the present time I have additional concerns about the overall DSM Plan as filed in Docket R-2009-2139884. I understand that to the extent these or other concerns are presented in my filed testimony on its behalf, the Office of Consumer Advocate would like the Commission to hear them before deciding on any aspect of the PGW DSM Plan.

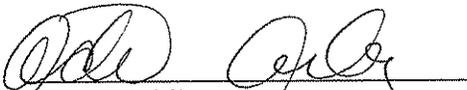
1. Any rate rider for program cost recovery should not include any “lost revenue component” such as the Company proposes.
2. Though the Company’s Plan covers a five year period, the Commission should approve PGW gas DSM program plans and budgets year-by-year. Since 2010 is largely a gearing-up year, with the actual roll-out of programs being in 2011, in this case the Commission could decide on the plan for 2010-2011 only.
3. The Company plans to ramp up to a level of annual spending which would, during the four full years of the plan after the initial start-up year, average about 1.5 percent of total Company sales revenues. In order to gain experience and be more

in the range of other gas utilities' practices, the Company should ramp up gas DSM more slowly. Annual DSM program budgets should not exceed one percent of revenues until the Company's programs show demonstrated results.

4. The program which appears to have the highest benefit-to-cost ratio is the "premium appliance and equipment efficiency" program, which can be available to customers in all rate classes. This should be rolled out earlier than the presently planned 3rd quarter of 2011 shown in the DSM Plan.


David Nichols

Subscribed and sworn to before me on this 18th day of March 2010.


Notary Public

My Commission Expires: My 5th 2013

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DAVID NICHOLS PROFESSIONAL BIOGRAPHY

David Nichols is a senior consultant with Synapse Energy Economics of Cambridge, Massachusetts, USA. For 25 years Nichols was a vice president of Tellus Institute in Boston, of which he was a cofounder. Before that he was associate professor at the State University of New York (Albany).

Nichols works throughout the U.S., as well as internationally. His energy work includes efficiency studies, technology assessment, cost benefit analysis, design and evaluation of demand-side load response and efficiency programs, and policy analysis. He has testified before regulatory commissions in the U.S. and Canada on energy efficiency, renewable energy, rate design, performance-based ratemaking, and other issues. Current and recent work includes:

- Consultant to the New Jersey Division of Rate Counsel for: the Governor's Renewable Energy Task Force, the Clean Energy Council, the Energy Master Plan, design and administration of renewable energy and energy efficiency programs, and gas and electric utility recovery of demand-side management costs; as well as off-tariff rate applications. This work has included testimony in several Board of Public Utilities dockets.
- Training of midlevel professionals in India and Indonesia on electric resource planning and demand-side management. This work was done for the U.S. Agency for International Development through the Institute of International Education.
- Comprehensive reports on states' policy and regulatory treatment of energy efficiency and renewable energy for the American Council for an Energy-Efficient Economy, the Colorado Governor's Office of Energy Management, E-Source, and others.
- Study of the achievable potential from new electric energy efficiency and load response measures in Utah, completed for an Advisory Group to the Public Service Commission.
- Heading the team that developed performance indicators for the Climate Change programs (renewable energy and energy efficiency) of the Global Environmental Facility.
- Lead author for the World Commission on Dams' *Thematic Review of Planning Approaches*, focusing on enabling participation in multi-stakeholder planning, avoiding adverse impacts through energy and water conservation, and better siting and operating practices.
- Analyses of utility cost recovery and incentives for ratepayer-funded energy efficiency for the Regional Environmental Councils of Quebec, West Kootenay Power Co., Enbridge Gas Ltd., Southern Alliance for Clean Energy, and others, including related testimony before several regulatory commissions.

Nichols has participated in task forces, advisory groups, collaborative processes, workshops, working groups and settlement discussions on oil, gas, and electric energy efficiency, as well as rate design. In these working group processes he assisted such stakeholders as energy utilities, commission staffs, consumer advocates, energy offices, and environmental agencies.

Nichols' articles have appeared in *Electricity Journal*, *Industry and Environment Review*, *Pace Environmental Law Review*, *Polity*, and conference proceedings published by the American Council for an Energy Efficient Economy, Electric Power Research Institute, and others. He was educated at Clark University, the University of Chicago, and Massachusetts Institute of Technology, where he received his Ph.D.

TESTIMONY BEFORE REGULATORY COMMISSIONS

JURISDICTION	APPEARANCES		JURISDICTION	APPEARANCES	
	<u>DSM</u>	<u>Other</u>		<u>DSM</u>	<u>Other</u>
Arizona		1	North Carolina	1	
Colorado	2		Nova Scotia	3	
Connecticut	4	1	Ohio	3	
Delaware	1		Oklahoma		1
US Federal Energy Regulatory Commission	2	2	Ontario	3	1
Kansas		3	Pennsylvania	1	
Maine	3		Rhode Island	1	2
Maryland		1	South Carolina	1	1
Massachusetts	3	1	Texas		2
Missouri		1	Utah	1	2
Nevada		2	Vermont	3	1
New Hampshire		1	Virginia	1	
New Jersey	11	2	Wisconsin	2	
New York	2	3			
				Total DSM	Total Other
				48	27

DSM: Demand-side management, including energy efficiency and demand response.

Other: Planning, rate design, other energy analysis.

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Experience

- 2007- Senior Consultant, Synapse Energy Economics, Inc., Cambridge, Massachusetts.
- 2002- Independent research, analysis, and consulting.
- 1977-2002 Cofounder, Vice President and Director, Tellus Institute for Resource and Environmental Strategies, Boston, Massachusetts.
- 1974-1978 Associate Professor, State University of New York at Albany.
Allen Center and Graduate School of Public Affairs.
- 1973-1974 Assistant Professor, Rensselaer Polytechnic Institute, Troy, N.Y.
Department of History and Political Science.
- 1973 New York Civil Service Public Administration Intern, Department of Environmental Conservation, Albany.

Education

Clark University (A.B.), the University of Chicago, and Massachusetts Institute of Technology (Ph.D.)

Expert Testimony*

Utility Rate Design & Cost Allocation

Before:

Nevada Public Service Commission: docket 94-7001 (1995)
New Jersey Board of Public Utilities: docket ER02080506 (2003)
New York Public Service Commission: case 91-E-1185 (1991)
Ontario Energy Board: H.R. 24 submission (1996)
Rhode Island Public Utilities Commission: docket 2036 (1992)
Utah Public Service Commission: docket 02-057-02 (2002).

Energy Efficiency & Renewable Energy

Before:

Colorado Public Utilities Commission: dockets 99A-377EG (1999), 00A-008E (2000)
Delaware Public Service Commission: docket 94-83 (1995)
Maine Public Utilities Commission: docket 91-213 (1992)
New Jersey Board of Public Utilities: dockets EX04040276 (2004), GR01040280 (2001),
EX99050347 (2000 and 1999), EE98060402 (1998), EX94120585U (1998), ER97020101 (1997)
North Carolina Utilities Commission: docket E-100 (1990)
Nova Scotia Utility and Review Board: I/M/O R.S.N.S. c. 380 (2009, 2008, 2008)
Ohio Public Utilities Commission: cases 91-700-EL-FOR (1993), 92-708-EL-FOR (1992)
Ontario Energy Board: EBROs 497 (1998), 495 (1997), 487 (1994)
South Carolina Public Service Commission: docket 2007-358-E (2008)
Utah Public Service Commission: docket 01-035-01 (2001)
Vermont Public Service Board: docket 5330 (1990)
Wisconsin Public Service Commission: dockets 05-CE-117 (2002), AP7 (1995)

*Testimony listed here was defended before agencies noted. Testimony that was filed but not heard is listed in the next section. List of testimony prior to 1990 available upon request.

Publications, Papers, Reports

- 2009: Paper, "The Costs of Increasing Electricity Savings through Utility Efficiency Programs: Evidence from US Experience, in *Proceedings, Fifth International Conference on Energy Efficiency in Domestic Appliances and Lighting (EEDAL)*. Co-author.
- 2008: Paper, "The Sustainability and Costs of Increasing Efficiency Impacts: Evidence from Experience to Date," in *Proceedings, ACEEE 2008 Summer Study on Energy Efficiency in Buildings*. Co-author.
- 2007: *Independent Administration of Energy Efficiency Programs: A Model for North Carolina*. A Synapse Energy Economics report to Clean Water for North Carolina. Senior author.
- 2007: *Testimony of David Nichols, Florida Public Service Commission*. Pre-filed testimony on demand-side management issues in a Tampa Electric Co. application that was withdrawn.
- 2005: *New Jersey's Proposed Renewable Portfolio Standards Rule: Analysis and Recommendations*. Report to: New Jersey Division of the Ratepayer Advocate.
- 2005: *Emerging Technologies for a Second Generation of Gas Demand-Side Management*. Report to: Enbridge Gas Distribution Inc. and Union Gas Ltd. Senior author.
- 2004: *Policy & Program Actions: Buildings & Facilities*. For the Stakeholders of the Rhode Island Greenhouse Gas (GHG) Process to develop the RI Climate Change Action Plan.
- 2002: *Final Report on Energy Efficiency and Renewable Energy*. Report of the Air Pollution Prevention Forum to the Western Regional Air Partnership.
- 2002: *Development of Options: Scoping Paper*. For the Working Group on Buildings & Facilities of the Rhode Island GHG Process. Senior author.
- Testimony of David Nichols, New Jersey Board of Public Utilities*. Pre-filed testimony on demand-side management cost recovery in a Public Service Electric & Gas Company matter that was settled. Prepared for the Division of the Ratepayer Advocate. Tellus Institute Study 01-109.

2001: “Load Response: New, or Déjà Vu?” in *Electricity Journal*, vol. 14, no. 4, May. Co-author.

An Economic Analysis of Achievable New Demand-Side Management Opportunities in Utah. Prepared for the System Benefits Charge Stakeholder Advisory Group to the Utah Public Service Commission. Tellus Study 00-076. Principal author.

“The Role of Regulators in Promoting Energy Efficiency and Renewable Technologies,” in *Pace Environmental Law Review*, vol. 18, no. 2.

2000: *Measuring Results from Climate Change Programs: Performance Indicators for GEF*. Global Environmental Facility Monitoring and Evaluation Working Paper 4. Co-author.

Institutional and Governance Issues V.1: Planning Approaches. A Thematic Review published by the World Commission on Dams. Principal author.

Best Practices Guide: Integrated Resource Planning for Electricity. US Agency for International Development and the Institute of International Education, Washington, D.C. Co-author.

Paper, “What’s A Policy Maker To Do?” Western Regional Air Partnership Air Pollution Prevention Forum, Scoping of Energy Efficiency. San Francisco, May.

Paper, “State Renewable Energy Policies.” Spring 2000 Conference of the National Pollution Prevention Roundtable.

Reducing Peak Demands Through Customer-Side Initiatives. Report to Citizens Utility Board, Chicago. Tellus Study 00-061. Senior author.

1999: *Regulatory Incentives for Demand-Side Management*. Report to the West Kootenay Power Company Demand-Side Management Committee. Tellus Study 98-211.

Funding for Energy-Related Public Benefits: Needs and Opportunities With and Without Restructuring. Report to the Colorado Governor’s Office of Energy Management and Conservation. Senior Author. Tellus Study 98-002.

Support for Energy-Related Public Benefits: Funding Approaches and Related Options. Report to the American Council for an Energy-Efficient Economy. Tellus Study 99-017. Senior author.

Development of Climate Change Program Performance Indicators. Report to the Global Environmental Facility. Senior author. Tellus Study 98-222.

Paper, “Environmental Benefits of Low-Income Weatherization,” in *Evaluation in*

Transition: Working in a Competitive Energy Industry Environment. Proceedings of 1999 International Energy Program Evaluation Conference, pp. 427-434. Co-author.

Paper, "Auditing Performance in a 'Standard Offer' Efficiency Program," in *Evaluation in Transition.* Proceedings of the 1999 International Energy Program Evaluation Conference, pp. 649-656. Co-author.

1998: *Incentive Rate Regulation and Integrated Resource Planning.* Pre-filed testimony on behalf of the Regroupement national des Conseils régionaux de l'environnement du Québec. Co-author.

Incentives for DSM Performance. Pre-filed testimony on behalf of Enbridge Consumers Gas; Ontario Energy Board EBRO 497-01, Exhibit C, Appendix D.

Energy Efficiency in Colorado: Progress and Potential. Report to the Governor's Office of Energy Conservation and Management. Tellus Study 98-002/C1.

Gas Energy Efficiency Technologies: Cost-Effectiveness Screening. Report to the Massachusetts Division of Energy Resources. Tellus Study 96-180/C. Senior author.

Institutional Conservation Program Process Evaluation Report. Report to the Ohio Department of Development, Office of Energy Efficiency. Tellus Study 95-247. Co-author.

Home Weatherization Assistance Program Process Evaluation. Report to the Ohio Office of Energy Efficiency. Tellus Study 95-247/PE. Co-author.

Home Weatherization Assistance Program Environmental Impact Analysis. Report to the Ohio Office of Energy Efficiency. Tellus Study 95-247/EN. Co-author.

Home Weatherization Assistance Program in Ohio: Economic Impact Evaluation. Report to the Ohio Office of Energy Efficiency. Tellus Study 95-247/EC. Co-author.

Costs and Benefits of the Consumers Gas Company's Natural Gas Vehicle Program. Study Tellus 98-001E. Co-author.

High Efficiency Boilers: Economic and Achievable Potential. Report to the Consumers Gas Company of Ontario, Ltd. Tellus Study 98-001C/8. Co-author.

1997: *Sustainable Electricity for New England: Regulatory and Other Governmental Tools to Support Environmentally Sustainable Technologies in the Context of Electric Industry Restructuring.* The R/EST Project. Report to the New England Governors' Conference. Tellus Study 95-310. Co-author.

Paper, "Industrial Eco-Efficiency and Total Cost Assessment." Association of Energy Services Professionals Conference, Boca Raton, Florida, December.

1996: Article, "Gas Utility Portfolio of Market-Oriented DSM," in *Strategies*, vol. 7, no. 3.

Market-Oriented Demand-Side Management: An Assessment of Consumers Gas Demand-Side Management After Two Years. Tellus Study 96-001.

Action Plan. Report to the Technology Group, Massachusetts Industrial Services Program. Tellus Study 95-222. Project Manager.

Gasco Proposed Demand-Side Management Plan. Report to The Gas Company of Hawaii. Tellus Study 93-271. Co-author.

1995: *Testimony of David Nichols, N.J. Board of Public Utilities.* Pre-filed testimony on demand-side management issues in a Public Service Electric & Gas Co. matter that was settled. Prepared for the Division of the Ratepayer Advocate. Tellus Study 95-101.

Industrial Demand-Side Management in a Transitional Era. Report to Wisconsin's Environmental Decade. Tellus Study 94-146. Principal investigator.

Testimony of David Nichols, Nevada Public Service Commission. Pre-filed testimony on DSM issues in a Nevada Power Company matter that was settled. Prepared for the Office of Consumer Advocate. Tellus Study 94-193C/T-2.

Paper, "Bidding for Interruptibility," in *Fourth International Energy Efficiency and DSM Conference.* Bala Cynwyd, PA: SRC International, pp. 539-544.

Paper, "Industrial Demand-Side Management in Transition," in *Partnerships, Productivity, and the Environment*, Proceedings of the ACEEE 1995 Summer Study on Energy Efficiency in Industry, Volume II, pp. 197-208.

1994: *Evaluation of Pacific Gas & Electric Company's Interruptible Bidding Program.* Report to the Advisory and Compliance Division, California Public Utilities Commission. Tellus Study 93-136. Project Manager.

Report to the Staff of the Arkansas Public Service Commission Concerning SWEPCO's Proposed Promotional Practices. Tellus Study 92-153C. Co-author.

Reviews of Metropolitan Edison Co., Pennsylvania Power & Light Co. and Pennsylvania Electric Company 1995 Demand Side Management Filing. Prepared for the Pennsylvania Office of Consumer Advocate. Tellus Study 94-071. Co-author.

Review of Union Electric Company's Electric Utility Resource Planning

Compliance Filings. Prepared for the Missouri Office of Public Counsel. Tellus Study 93-254. Co-author.

1993: *Advertising Costs in Demand-Side Management Programs*. Report to Arizona Corporation Commission Staff. Tellus Study 93-103. Principal investigator.

Economic Opportunities Through Energy Efficiency and the Energy Policy Act of 1992. Jefferson City: Environmental Improvement and Energy Resources Authority. Report to the Missouri legislature pursuant to House Concurrent Resolution 16. Co-author.

Integrated Resource Planning Concepts and Approaches. Report to Hydro-Québec and the Public Interest Groups and Associations. Tellus Study 92-155. Co-author.

Proposed Rules Governing Integrated Resource Planning for Electric and Natural Gas Utilities Regulated by the State of Kansas. Tellus Study 92-105. Co-author.

Gasco Integrated Resource Plan Report. Before the Public Utilities Commission of Hawaii, docket No. 7261. Prepared for The Gas Company of Hawaii. Tellus Study 92-181. Co-author.

1992: *Evaluation of Public Service Electric & Gas Demand-Side Management Resource Plans*, docket no. EX-90040304. Report to the New Jersey Rate Counsel Division, Department of Public Advocate. Tellus Study 92-055. Principal investigator.

Evaluation of Atlantic Electric DSM Resource Plan, docket no. EX90040304. Report to the N.J. Rate Counsel. Tellus Study 92-055B. Principal investigator.

Paper, "Bidding for Performance: The Large Commercial Gas Conservation Program at Wisconsin Gas Company," in *Implementation of Demand-Side Management*, Proceedings of the National DSM Implementation Conference, pp. 84-90. Bala Cynwyd, PA: Synergic Resources Corporation, 1992. Principal author.

1991: Paper, "Gas Substitution in Electric Utility DSM," in *Proceedings: 5th National Demand-Side Management Conference*. Palo Alto, CA: Electric Power Research Institute, Report EPRI CU-7394, pp. 231-234.

Comments of Pennsylvania Office of Consumer Advocate on the Pennsylvania Power and Light Company Demand-Side Management 1991 Plan. Tellus Study 90-201D. Principal investigator.

Improved Energy Efficiency Through Building Standards: An Opportunity for Long Island. Report to Long Island Power Authority. Tellus Study 90-028/BC. Co-author.

Long Island Power Authority Comments on the LILCO 1991-92 and 1990 Long Range Electric Conservation & Load Management Plan. Tellus Study 90-028. Principal investigator.

1990: *Conservation and Capacity Optimization Alternatives to the PGT/PG&E Gas Pipeline Project.* Report to the California Public Utilities Commission. Tellus Study 90-003. Co-author.

Savings from the Smart Money Program: An Audit of the 125 MegaWatt Demand Reduction. Report to Wisconsin Electric Power Company and the Wisconsin Public Service Commission. Tellus Study 89-127. Principal investigator.

Paper, "Tracking Results in Demand-Side Management Programs," in *Demand-Side Management Conference*. Toronto: Canadian Electrical Association, pp. 344-356.

Paper, "Tracking Activity and Results in DSM Programs," in *Proceedings, ACEEE 1990 Summer Study on Energy Efficiency in Buildings*, pp. 6.109-6.118. Principal author.

Article, "The Conservation Utility: A New Institutional Approach," in UNEP's *Industry and Environment Review*, Vol. 13, No. 2. Co-author.

List of publications & papers prior to 1990 available upon request.

Other Professional Activity

- 2007-2010 Consultant to Nova Scotia Utility and Review Board for Nova Scotia Power's electric integrated resource and demand-side management planning processes.
- 2001-2007 Technical consultant to the Rhode Island Department of Environmental Management for the state's greenhouse gas process and *Climate Change Action Plan*.
- 1996-2010 Consultant to the New Jersey Division of Rate Counsel for:
- New Jersey Clean Energy Council;
 - New Jersey Energy Master Plan;
 - Governor's Renewable Energy Task Force;
 - comments on draft electricity & gas restructuring legislation;
 - comments on four-year funding cycles for clean energy ("CRA" proceedings);
 - advice to Consumer Protection Task Force (restructuring issues);
 - evaluation of off-tariff rate agreements; and
 - evaluation of gas and electric utilities' DSM cost recovery.
- 1994-99;
2004-5 Consultant to Enbridge Gas Distribution Inc. (Ontario) for development and implementation of natural gas demand-side energy efficiency plans and programs.
- 2004-5 Consultant to Enbridge Gas - New Brunswick for development of an electric demand-side energy efficiency system for New Brunswick.
- 2002-3 Consultant to the Western Regional Air Partnership for the Air Pollution Prevention Forum's *Final Report on Energy Efficiency and Renewable Energy* and supporting technical analyses.
- 2002 Presentation to National Association of Energy Service Companies, Mid-Year Conference, Chicago.
- 2002 Lead instructor, U.S. Agency for International Development (USAID) training courses in Electric Resource Planning and Demand-Side Management. Bangalore and Jaipur, India.
- 2002 Instructor, USAID training course in Integrated Resource Planning. Jakarta, Indonesia.
- 1999 Lead instructor, USAID training course in Electric Resource Planning at Tellus Institute, Boston.
- 1998 Presentation to the Advisory Committee on Resource Planning of the Québec Energy Board, Montreal.

- 1998 Panelist, Pollution Prevention & Energy Efficiency Training Session, Pollution Prevention Roundtable Conference, Cincinnati.
- 1996 Consultant to the Kentucky Attorney General—technical assistance on utility cost recovery for demand side management programs.
- 1995- Consultant to Massachusetts Division of Energy Resources for policy, program and cost-effectiveness frameworks for gas utility demand-side management.
- 1995 Consultant to Nevada Office of Advocate for Customers of Public Utilities for assessment of Sierra Pacific Power integrated resource plan, docket 95-5001.
- 1994-98 Consultant to The Gas Company of Hawaii for development of DSM programs.
- 1992-95 Technical agent to the commissioners, District of Columbia Public Service Commission, Formal Case No. 917, phases I and II.
- 1993-4 Consultant to the Staff of the Arkansas Public Service Commission for review of the integrated resource plans of three electric utilities.
- 1993 Technical agent to the commissioners, D.C. Public Service Commission, Formal Case No. 929.
- 1992-93 Consultant to Ohio Office of Consumers' Counsel for training of staff and assessment of utility integrated resource plans.
- 1990-93 Consultant to Long Island Power Authority for implementation of conservation programs and participation in New York Public Service Commission cases 28223, 91-E-0382, and 92-E-0291.
- 1992 Consultant to Minnesota Office of Attorney General for assessment of Northern States Power integrated resource plan, docket E-002/RP-91-682.
- 1990-91 Consultant to Connecticut Municipal Electric Energy Co-operative. Commercial customer surveys, end-use data base development, and DSM option screening.
- 1990 Presenter, "Evaluating Residential Conservation Programs," at "Affordable Comfort IV" Conference, Philadelphia.
- 1990 Consultant to Wisconsin Gas Company: preparation and implementation of gas DSM bid.

Other professional activity prior to 1990 available upon request.

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

1.
 - a) From which entity is PGW planning to receive funding associated with the ARRA?
 - b) Has the entity secured the funding?
 - c) Or is PGW directly applying for the fund on its own?

Response Provided By: Steven Hershey

Response: a), b) & c) As of this date PGW has not secured funding from ARRA for its DSM program.

PGW has made several inquiries to the PA Department of Environmental Resources ("DEP") about the availability of ARRA funding. Inquiries were made during meetings, including those held in April and August, 2009, among others, with DEP officials. As the PUC has recognized in the context of reviewing Act 129 programs, ARRA funding cannot be used to replace existing funding for programs, but only to supplement existing funding or fund new programs. *See, e.g.*, Petition of PECO Energy Company for Approval of its Act 129 Energy Efficiency and Conservation Plan and Expedited Approval of its Compact Florescent Lamp Program, M-2009-2093215, Opinion and Order entered Oct. 28, 2009 at 21-25. *Accord*, http://apps1.eere.energy.gov/state_energyprogram/arra_questions.cfm. DEP has informed PGW informally that because a funding source for PGW's DSM program exists (a charge authorized pursuant to section 1319 of the Public Utility Code (66 Pa. C.S. § 1319)) it considers PGW's proposed DSM program to have existing funding and does not consider PGW's DSM program to be eligible to receive AARA funds.

Nonetheless, if PGW's Plan is approved, PGW plans to continue to discuss potential ARRA funding with DEP and shall make applications for such funding if there appears to be a reasonable opportunity to secure such funds for any portion of its Plan.

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

2. Is there any other source of funding from ARRA that PGW is expecting to receive?

Response Provided By: Steven Hershey

Response: See, Answer to OCA-V-1. PGW will apply for ARRA funds if new opportunities for which PGW and/or its customers may be eligible arise.

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

3. Exactly how will the proposed funding be used by PGW?

Response Provided By: Steven Hershey

Response: *See*, answer to OCA-V-1. PGW will continue to explore DEP's current position (as PGW understands it) that ARRA funds may not be used to fund utility DSM programs for which ratepayers funding is available. PGW is willing to submit applications either to secure funding for an expansion of PGW's present plan or to ask DEP to revisit its position regarding funding for its DSM program if the parties or the PUC believe that it would make sense to do so.

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

4. When will the fund become available for use for the company's efficiency programs?

Response Provided By: Steven Hershey

Response: *See, answer to OCA-V-1, 3.*

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

5. Please state the amount of the fund PGW is expecting to receive

Response Provided By: Steven Hershey

Response: *See, Answer to OCA-V-1, 3.*

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

6. Please describe any requirements and the entire process for PGW to receive the fund. What does PGW have to do and have to go through in order to receive the fund?

Response Provided By: Steven Hershey

Response: *See, Answer to OCA-V-1, 3.*

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

7. What is the likelihood for PGW to receive the fund?

Response Provided By: Steven Hershey

Response: *See, Answer to OCA-V-1, 3.*

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

8. How important is the ARRA funding for PGW? What percentage of the ARRA fund accounts for in the total estimated budget for the company's residential efficiency programs?

Response Provided By: Steven Hershey

Response: PGW's Plan does not rely on or assume any ARRA funding.

RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
REGARDING PGW'S BASE RATE FILING
DOCKET NO. R-2009-2139884

OCA Set V

9. What is proposed benefit to be provided from the ARRA funding?

Response Provided By: Steven Hershey

Response: *See, Answer to OCA-V-1, 3, 8.*

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket Nos. R-2009-2139884
	:	
Philadelphia Gas Works	:	
	:	
Philadelphia Gas Works' Revised Petition	:	
For Approval of Energy Conservation and	:	P-2009-2097639
Demand Side Management	:	

I hereby certify that I have this day served a true copy of the foregoing document, the Answer of the Office of Consumer Advocate and Affidavit of David Nichols in Response to the Joint Motion for Partial Summary Judgment of Philadelphia Gas Works and the Clean Air Council, 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 19th day of March 2010.

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