



800 Cabin Hill Drive
Greensburg, PA 15601-1689
PH: (724) 838-6210
FAX: (724) 830-7737
jmunsch@alleghenyenergy.com

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VIA FEDEX NEXT DAY

March 26, 2010

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

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MAR 26 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: **Implementation of the Alternative Energy Portfolio
Standards Act of 2004; Standards for the Participation
of Demand Side Management Resources – Technical Reference
Manual Update at Docket No. M-00051865**

Dear Secretary McNulty:

West Penn Power Company d/b/a Allegheny Power appreciates the opportunity to review and provide reply comments on the Technical Reference Manual Update per the Tentative Order issued by the Pennsylvania Public Utility Commission. The Company is submitting an original and 15 copies of its reply comments. This filing is made by express delivery and is deemed filed today.

Very truly yours,

A handwritten signature in cursive script that reads 'John L. Munsch'.

John L. Munsch
Attorney

JLM:sac

Enclosures

cc: Gregory A. Shawley at gshawley@state.pa.us
Kriss Brown at kbrown@state.pa.us

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Re: Implementation of the Alternative :
Energy Portfolio Standards Act of 2004 : **Docket No. M-00051865**
Standards for the Participation of Demand
Side Management Resources – Technical :
Reference Manual Update :

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**REPLY COMMENTS OF
THE WEST PENN POWER COMPANY
dba
ALLEGHENY POWER COMPANY**

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Introduction

West Penn Power Company d/b/a Allegheny Power (“Allegheny Power” or “Company”) respectfully submits reply comments in the above-referenced docket concerning the Tentative Order entered February 2, 2010, in which the Commission advanced the annual update of the Technical Reference Manual (“TRM”) to be applied beginning with the 2010-2011 AEPS Act and Act 129 Energy Efficiency and Conservation (“EE&C”) program compliance years. Allegheny Power provides additional reply comments on the comments of the UGI Distribution Companies (“UGI”) concerning fuel substitution and concerning deemed savings.

UGI Fuel Substitution Comments

Allegheny Power has been actively participating in the fuel switching working group established by the Pennsylvania Public Utility Commission (“Commission”). The Company has provided comments to the working group primarily related to the policy considerations of fuel switching that need to be addressed, the significant Act 129 plan impacts, and the cost-effectiveness testing of the fuel switching proposals.

Allegheny Power submits that the comments of UGI in this proceeding are premature as the fuel switching working group has not issued its report to the Commission. In its TRM Order, Docket No. M-00051865, entered June 1, 2009, the Commission directed the working group to address issues with fuel switching, stating:

The Commission recognizes that fuel switching is a complicated topic that will require additional time and effort to fully address. As the TRM will provide vital guidance to EDCs in developing their EE&C Plans, which are due to be filed by July 1, 2009, there is not enough time to convene a working group to address all the related issues, fuel switching will not be included in this TRM. The Commission will convene a fuel switching working group in the near future to identify, research and address issues related fuel switching. Depending on the outcome of this working group, fuel switching may be incorporated into a future version of the TRM.

As such, Allegheny Power submits that any inclusion of fuel switching in the TRM prior to the report of the fuel switching working group would be premature. Furthermore, while UGI is correct that Allegheny Power has commented to the fuel switching working group regarding the inclusion of fuel switching in the TRM (and in the Pennsylvania Total Resource Cost Test (“TRC”)), Allegheny Power’s comment was conditional in nature; that is, in the event that fuel switching is determined to be acceptable by the Commission as a result of the fuel switching working group recommendation, then Allegheny Power suggests that the TRM (and the Pennsylvania TRC test) should provide the specific instruction on any fuel switching measures needed to support complete cost-effectiveness testing of any proposed fuel switching programs.

Deemed Values

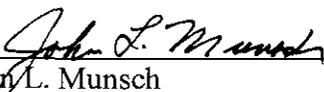
Several Electric Distribution Companies (“EDCs”) including Allegheny Power recommended deemed values to be added to the TRM for measures that are prescriptive in their application and/or those with higher tier efficiency levels than currently included. The Company

requested deemed values in its comments for appliances, lighting, HVAC and variable frequency drives, and the Company agrees that prescriptive type measures should be included in the TRM to the maximum extent possible to ensure and/or maintain the cost effectiveness for these measures, as opposed to requiring custom measurement and verification protocols which come at a higher cost to establish the energy and demand savings. Each EDC is responsible for achieving the requirements of Act 129, including the mandated targets and within the budget cap, and the added emphasis on establishing deemed TRM values where possible will contribute to the success of each EDC in meeting all requirements of Act 129 within the budget cap.

Allegheny Power appreciates the opportunity to provide Reply Comments concerning the update of the TRM.

Respectfully Submitted,

Date: March 26, 2010



John L. Munsch
Attorney for
WEST PENN POWER COMPANY
d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601
724-838-6210
724-830-7737 (FAX)
jmunsch@alleghenyenergy.com

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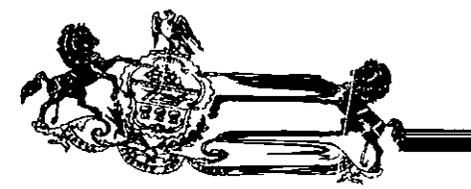
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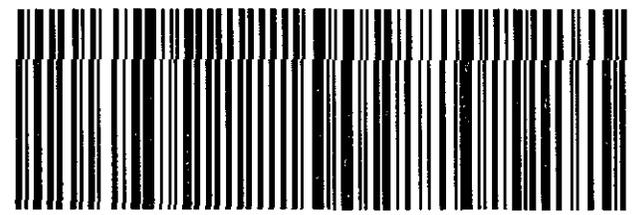
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Pennsylvania Public Utility Commiss
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