

CITIZEN POWER

Public Policy Research Education and Advocacy

May 30, 2012

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Act 11 of 2012/HB 1294 -- Implementation Order for Establishment of a
Distribution System Improvement Charge; Docket No. M-2012-2293611**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission on behalf of Citizen Power, Inc. are Comments in response to the May 11, 2012 Tentative Implementation Order in the above-captioned proceeding. Copies of this document have been sent in word format to David Screven and Louise Fink Smith, in the Commission's Law Bureau, and to Erin Laudenslager, in the Commission's Bureau of Technical Services.

Sincerely,

/s/ Theodore Robinson
Theodore Robinson
Counsel for Citizen Power

Enclosures

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Implementation of Act 11 of 2012)

Docket No. M-2012-2293611

COMMENTS OF CITIZEN POWER, INC.

Citizen Power provides these comments to the Pennsylvania Public Utility Commission in response to the Tentative Implementation Order entered May 11, 2012 in Docket No. M-2012-2293611.

I. Section 1352 – Long-Term Infrastructure Improvement Plan

Under 66 Pa. C.S. § 1352(a)(5), the long-term plan must include measures taken to ensure that the plan is cost effective. In the view of Citizen Power, this requirement necessitates a cost benefit analysis of the proposed improvements, including the anticipated impacts upon reliability metrics such as SAIDI, SAIFI, and CAIDI as well as any expected ancillary efficiency gains. A calculation of the benefits of the accelerated schedule under the long-term plan should take into account reductions in the cost to customers of unserved energy based upon a conservative estimation of the impacts of outages upon the different customer classes.¹

Citizen Power also proposes that the initial review of the long-term plan occur 2 years after the initial filing. 66 Pa. C.S. § 1352(b)(1) requires for a review of the long-term plan at least once

¹ For estimates of the costs of outages see Sullivan, et. al, *Estimated Value of Service Reliability for Electric Utility Customers in the United States*, Office of Electricity Delivery and Energy Reliability, U.S. Department of Energy, June 2009, available at: <http://certs.lbl.gov/pdf/lbnl-2132e.pdf>

every five years. We believe that a shorter time period, at least initially, is appropriate to ensure that the utility is following the long-term plan.

II. Section 1356 – Asset Optimization Plan

A utility with an approved distribution system improvement charge is required to file an annual asset optimization plan describing all eligible property repaired, improved and replaced in the preceding 12 months and a detailed description of all facilities to be improved in the upcoming 12 months. To the degree that the annual asset optimization plan differs from the original long-term infrastructure improvement plan, the reasons for these differences should be articulated in the asset optimization plan, along with any anticipated adjustments to the schedule under 66 Pa. C.S. § 1352(a)(2).

Respectfully Submitted,

/s/ Theodore S. Robinson
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Dated: May 30, 2012