



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE
M-2009-2092655

March 30, 2009

TO ALL INTERESTED PARTIES:

Re: Smart Meter Procurement and Installation Plans
Docket No. M-2009-2092655

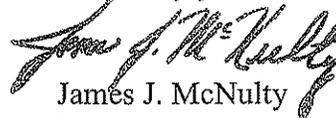
The Pennsylvania Public Utility Commission (PUC) hereby circulates for comment the March 20, 2009 draft staff proposal regarding electric distribution company (EDC) smart meter procurement and installation plans. Comments are due by **April 15, 2009**,¹ with reply comments due **April 27, 2009**.

In Act 129 of 2008, P.L. 1592, the Pennsylvania General Assembly directed all EDCs with more than 100,000 customers to file by August 14, 2009, smart meter technology procurement and installation plans with the PUC for approval. This staff proposal sets out proposed standards each plan must meet and provides guidance on the procedures to be followed for submittal, review and approval of all aspects of each smart meter plan. This staff proposal also sets out proposed minimum smart meter capabilities, guidance on deployment of smart meters and cost recovery.

An original and fifteen copies of any written comments referencing the docket number M-2009-2092655 shall be submitted to the Pennsylvania Public Utility Commission, Attn.: Secretary, P.O. Box 3265, Harrisburg, Pa. 17105. In addition, we ask that an electronic copy of all comments be sent to the Commission's Act 129 e-mail account at ra-Act129@state.pa.us. The Commission will make all filed comments and reply comments available on its Act 129 Information² web pages.

If there are any technical questions regarding the proposal, please contact Charles Covage, ccovage@state.pa.us, 717-783-3835, Bureau of Conservation, Economics and Energy Planning. Any questions related to the comment and approval processes, please contact Kriss Brown, kribrown@state.pa.us, 717-787-4518, in the Commission's Law Bureau.

Very truly yours,


James J. McNulty
Secretary

Attachment A: Additional Questions
Attachment B: March 20, 2009 draft staff proposal

¹ The mailbox rule does not apply to either the comment or reply comment due dates.

² http://www.puc.state.pa.us/electric/Act_129_info.aspx

cc: Chairman's Office
Vice Chairman's Office
Commissioners' Offices
Karen Oill Moury, Director of Operations
Bohdan R. Pankiw, Chief Counsel
Robert F. Young, Deputy Chief Counsel
Kriss Brown, Assistant Counsel
Wayne L. Williams, Director, Conservation, Economics, and Energy Planning
Veronica Smith, Chief Administrative Law Judge
Cheryl Walker Davis, Director, Office of Special Assistants
Robert F. Wilson, Director, Fixed Utility Services
Mitchell A. Miller, Director, Bureau of Consumer Services
All jurisdictional electric distribution companies
All licensed electric generation suppliers
All parties that provided comments at Docket No. M-2008-2069887

ATTACHMENT A

Additional Questions Related to the Commission's
Smart Meter Procurement and Installation Program at Docket No. M-2009-2092655

1. Overall Adaptability:

- a. Should there be some common “plug and play” format and/or hardware on the meter to accommodate future technology changes? If so, provide suggested standards for this capability.

2. Home Area Network (HAN) Protocols:

- a. What HAN protocol may be appropriate from the meter to the customer? What HAN open protocols are most readily available and accessible to customers? Should the Commission standardize a protocol? Should there be more than one protocol?
- b. Should smart meter information be available through a HAN or an internet browser? If through an internet browser, should this come from a website, or directly from the meter, or both? Through which browsers should this be made available?
- c. Should there be other interconnectivity between the meter and other equipment in the home? If so, how much? [read capability vs. two way communication]

3. Utility usage data and meter access:

- a. What usage data should the utility acquire through the smart metering system?
- b. Should the Commission establish minimum standards on how often the utility should acquire the usage data from the meter?
- c. Should the Commission establish minimum data intervals? If so, what should that be? [Examples: 15 minute, 30 minute, 1 hr]
- d. What minimum timeframe should the Commission establish on when usage data is made available by the Meter Data Service Provider (MDSP, usually the EDC) to the EDC, CSPs/EGSs and customers, respectively?
- e. Should this usage data be validated first?

- f. Should the Commission establish a common Validation, Error Detection, and Editing (VEE) protocol? If so, what should that be?
- g. Should the Commission establish a maximum period in which the MDSP should complete the VEE analysis? If so, what should that maximum period be?
- h. How should customers be provided direct access to usage information? [examples, website access, HAN to an in-home display or other devices]
- i. Should the Commission establish standard protocols and communication medium for providing direct access to usage information from the meter to the HAN? If so, what should those be?
- j. How should this Commission provide direct access to the meter to third parties? What policies or regulations should this Commission promulgate to ensure that these third parties are provided timely access under reasonable terms and conditions to the customer metering facilities?
- k. What communications, software or hardware can facilitate this direct access to the meter for customers and their third parties, and should the Commission establish requirements and or standards to facilitate this access?
- l. What electronic access to customer meter data do CSPs and EGSs need from EDCs, that they currently do not have? Provide specific examples where these entities do not have such access currently, and provide examples, if available, of electronic transactions that can be adopted by this Commission to comply with this statutory requirement.

4. Meter to EDC Communications:

- a. Should the Commission standardize public protocols from the meter to the grid?
- b. If certain protocols are not effective in certain geographic or rural regions, should the Commission adopt a list of protocols that can accommodate all of Pennsylvania customer's communication requirements? If so, what additional protocols should be adopted?
- c. What bidirectional communication mediums [Example: broadband over powerline, cellular, phone lines, RF] are least cost? What are the pros and cons of each?

5. Access to Price information:

- a. How should customers be provided direct access to pricing information?
[examples, website access, HAN to an in-home display or other devices]
- b. Should the Commission require the meter to communicate price information, or should this information be provided over another communication medium?
- c. What pricing information should the Commission require to be provided?
[examples, RTP, Day ahead prices, default service rates]
- d. Should the Commission establish minimum standards on how frequently price information should be provided? If so, what should be the minimum standard?
- e. Should the Commission establish standard formats for presentation of price information? If so, suggest a format.

6. Automatic Control:

- a. How can smart meters “effectively support” automatic control of customer’s electricity consumption by customers, utilities and the customer’s third party?
- b. How is the smart metering system engaged in the initiation, maintenance, relinquishment, and verification of the automatic control of customer consumption?
- c. What smart metering protocols and communication mediums are needed to implement these automated controls? Should the Commission establish standard protocols and standards for this purpose?
- d. What energy consuming customer assets can be controlled by these smart meter systems for each of the customer segments, and how is control of these assets impacted by the choice of communication medium and protocol?

7. Smart Metering Acceleration:

- a. To the extent permissible under the law, should the Commission provide an incentive to EDCs to accelerate their smart meter deployment by giving a credit towards the required Energy Efficiency and Conservation Goals? If so, how should such credit be determined?

8. Cost Recovery:

- a. Should the Commission establish a standard format for providing the various components of the capital and operating costs and benefits of these smart metering systems to facilitate the comparison of the EDC plans? If so, please provide a suggested standard format.

ATTACHMENT B

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**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

Public Meeting held

Commissioners Present:

James H. Cawley, Chairman
Tyrone J. Christy, Vice Chairman
Robert F. Powelson
Kim Pizzingrilli
Wayne E. Gardner

Smart Meter Procurement and Installation

Docket No. M-2009-2092655

IMPLEMENTATION ORDER

BY THE COMMISSION:

The Pennsylvania General Assembly (“General Assembly”) has directed that electric distribution companies with more than 100,000 customers file smart meter technology procurement and installation plans with the Commission for approval. 66 Pa. C.S. § 2807(f). This Implementation Order will establish the standards each plan must meet and provide guidance on the procedures to be followed for submittal, review and approval of all aspects of each smart meter plan. This Implementation Order will also establish minimum smart meter capability and guidance on the Commission’s expectations for deployment of smart meters.

BACKGROUND AND HISTORY OF THIS PROCEEDING

Governor Edward Rendell signed Act 129 of 2008 (“the Act” or “Act 129”) into law on October 15, 2008. The Act took effect 30 days thereafter on November 14, 2008. Among other things, the Act specifically directed that within nine months of its effective date, electric distribution companies (“EDCs”) are to file, with the Commission for approval, a smart meter technology procurement and installation plan. 66 Pa. C.S. § 2807(f)(1). Each EDC smart meter plan must describe the smart meter technologies the EDC proposes to install, upon request from a customer at the customer’s expense, in new construction and in accordance with a depreciation schedule not to exceed 15 years. 66 Pa. C.S. §§ 2807(f)(1) and (2). The Act also establishes meter and meter data access by third parties. 66 Pa. C.S. § 2807(f)(3). The Act further defines minimum smart meter technology capabilities. 66 Pa. C.S. § 2807(g). Finally, the Act establishes acceptable cost recovery methods. 66 Pa. C.S. § 2807(7).

DISCUSSION

In this section the Commission will outline the standards each plan must meet and provide guidance on the procedures to be followed for submittal, review and approval of all aspects of each smart meter plan. This section will also establish minimum smart meter capabilities, as well as guidance on the Commission’s expectations for deployment of smart meters. Finally, in this section the Commission will provide guidance on EDC smart meter technology cost recovery.

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A. Plan Approval Process

Within nine months after the effective date of Act 129, each EDC with more than 100,000 customers is to file a smart meter technology procurement and installation plan with the Commission for approval. 66 Pa. C.S. §§ 2807(f)(1) and (6). As Act 129 became effective on November 14, 2008, the smart meter plans must be submitted on or before August 14, 2009. Each smart meter plan should provide a summary of the EDC's current deployment of smart meter technology, if any, and a plan for future deployment, complete with dates for key milestones and measurable goals. The Plans shall be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Office of Trial Staff, Electric Generation Suppliers licensed to provide service in the Commonwealth and Conservation Service Providers that are registered with the Commission.

Comments to the smart meter plans will be permitted to be filed within twenty (20) days of service. Following the receipt of comments, the Plans will be referred to the Office of Administrative Law Judge for such proceedings as may be deemed necessary. There will be at least one technical conference scheduled for each Plan during which the filing EDC will present personnel with in-depth knowledge of the plan who can respond to questions regarding all aspects of the plan. The technical conference(s) shall be transcribed and the transcript(s) will become part of the record in the proceeding.³

At the conclusion of the technical conference and any evidentiary hearings that may be necessary, an initial decision will be issued resolving all issues raised in the proceeding. It is anticipated that an Initial Decision will be issued within 120 days of the filing of the Plan. Parties will be permitted to file Exceptions and Reply Exceptions as

³ Any technical conference should be conducted as informally as possible, consistent with the good order of the proceedings. Lay persons will be permitted to directly ask questions of the EDC representatives, although such lay persons must be affiliated with an admitted Party of Record.

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set forth in Section 5.533 of the Commission's Regulations, 52 Pa. Code § 5.533. Parties are strongly encouraged to pursue settlement opportunities during the proceeding. It is expected that the comments and technical conference(s) will promote settlement efforts.

B. Smart Meter Deployment

Act 129 requires EDCs to furnish smart meter technology (1) upon request from a customer that agrees to pay the cost of the smart meter at the time of the request, (2) in new building construction, and (3) in accordance with a depreciation schedule not to exceed 15 years. 66 Pa. C.S. § 2807(f)(2). The Commission recognizes that a fully functional smart meter involves more than just the meter hardware attached to the customer's premises. A fully functional smart meter that supports the capabilities required by Act 129 and as outlined below, involves an entire network, to include the meter, two-way communication, computer hardware and software, and trained support personnel. The Commission also recognizes that it may take time for EDCs to select and install the required smart meter network components, and to train support personnel.

1. Network Development and Installation Grace Period

As EDCs may need time to develop and install the smart meter network, the Commission is granting a network development and installation grace period of up to 18 months following plan approval. During this grace period the Commission will not require EDCs to install a smart meter at a customer's premises. However, during this grace period, the Commission will require EDCs to provide interval meters, if necessary, and direct access to customer meters to third-parties, such as EGSs or CSPs, upon customer request. In addition, EDCs will be permitted to continue to offer their already established and approved time-of-use rate programs.

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The Commission directs all covered EDCs to include in its smart meter procurement and installation plan filing a proposed network design and installation grace period not to exceed 18 months. Each covered EDC must include a justification and its plan for network design and rollout, and personnel training.

2. Customer Request

As pointed out above, the Commission will not require EDCs to deploy smart meters until after the Commission-approved network development and installation grace period. Once this grace period expires, each covered EDC must supply a smart meter upon request by a customer, per Act 129.

The Commission recognizes that deployment of smart meters on a piecemeal or individual basis could involve greater costs than a systematic system-wide deployment. The General Assembly recognized this as well when it included the proviso that the customer requesting the smart meter must agree to pay for the cost of the smart meter. However, the Commission does not believe it was the intent of the General Assembly for this customer to pay the entire cost of the smart meter and its supporting infrastructure. Such a requirement would be so cost prohibitive that no customer would request a smart meter. Furthermore, the customer would be paying for the smart meter directly and also through the EDC's cost recovery mechanism. Such a result would be an absurd, impossible and unreasonable outcome, which is contrary to the rules of statutory construction. See 1 Pa. C.S. § 1922(1). To avoid this absurd result, the Commission believes that only the incremental costs over and above the cost for system-wide deployment are to be paid by customers requesting early deployment of a smart meter.

The Commission directs each covered EDC to include in its smart meter plan a proposal to install individual smart meters in advance of the EDC's system-wide deployment and after the network grace period. This proposal should include an

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itemization of the incremental costs. If an EDC cannot provide the incremental costs at the time of its initial filing, it will have to seek Commission approval of these incremental charges prior to the expiration of the approved network grace period. If an EDC does not obtain approval of these incremental costs prior to the end of the grace period it must install individual smart meters at its own expense. Such costs are not recoverable from ratepayers.

3. New Construction

As with all equipment, meters have a useful life. EDCs determine how much to invest in meter equipment based on its useful life and have an opportunity to depreciate that investment over the useful life of the meter. In addition, EDCs have an opportunity to recover the cost of the meter from ratepayers. Therefore, if a meter is replaced prior to the end of its useful life, the EDC will not be able to take advantage of the full depreciation of that meter or the ratepayers will pay an increased rate to cover the cost of both meters. The Commission believes that the intent of the Act's provision for installing smart meters in new construction was to avoid this waste and added expense.

Again, the Commission will not require deployment of smart meters in new construction during the approved network grace period. However, the Commission directs all covered EDCs to install smart meters in new construction that is begun after the network grace period. Therefore, the Commission directs each covered EDC to include in its smart meter plan a proposal for deployment of smart meters in new construction. Such a proposal should include a plan to identify new development and construction early enough to incorporate it into the system-wide deployment proposal.

4. System-Wide Deployment

The Commission believes that it was the intent of the General Assembly to require all covered EDCs to deploy smart meters system-wide when it included a requirement for smart meter deployment “in accordance with a depreciation schedule not to exceed 15 years.” It is this system-wide deployment that will provide the foundation for the EDCs’ smart meter installation plans. Therefore, it is crucial for the EDCs to develop a plan that will best meet the needs of their service territory, while at the same time operating in a manner that is both cost and time effective.

The EDCs shall detail their system-wide deployment plans to the Commission, including any type of tiered rollout the company proposes, as well as the associated costs and benefits incurred from such a rollout. This system-wide plan should also incorporate a coordination element with the new construction deployment component. Furthermore, the Commission will require all EDCs to file a “Smart Meter Progress” report on an annual basis that will update the status of their installation plans, including the number of customers who received meters in the prior year, the estimated number of customers scheduled to receive meters in the coming year, and all costs associated with the meter plan incurred during the previous year.

It should also be noted that Act 129 uses the language “not to exceed 15 years.” An EDC is encouraged to expedite the deployment process if it will provide increased customer benefits in a cost-effective manner. Again, the primary goal of the EDC deployment plan should be to implement a deployment and installation schedule that best balances the overall efficiency and timeliness of the smart meter installations with the costs incurred.

C. Smart Meter Capabilities

Act 129 defines smart meter technology as including metering technology capable of bidirectional communication that records electricity usage on at least an hourly basis, including related electric distribution system upgrades to enable the technology. 66 Pa. C.S. § 2807(g). The Act further states that the smart meter technology must provide customers with direct access to and use of price and consumption information, to include, (1) direct information on their hourly consumption, (2) enable time-of-use rates and real-time price programs, and (3) effectively support the automatic control of electricity consumption by, the customer, the EDC or a third-party, at the customer's request. 66 Pa. C.S. § 2807(g).

The Act further requires that default service providers submit time-of-use rates and real-time pricing plans by January 1, 2010, or at the end of the applicable generation rate cap period, whichever is later. Default service providers must offer the time-of-use rates and real-time pricing plans to all customers that have been provided with smart meter technology. 66 Pa. C.S. § 2807(f)(5). Real-time pricing is defined as "a rate that directly reflects the different cost of energy during each hour." 66 Pa. C.S. § 2806.1(m). A time-of-use rate is defined as "a rate that reflects the costs of serving customers during different time periods, including off-peak and on-peak periods, but not as frequently as each hour." *Id.*

The Commission believes that the smart meter capability requirements set out in Act 129 are minimal requirements. The Commission also recognizes that smart meter technology can support more than demand response and pricing programs. Smart meters have the ability to support maintenance and repair functions, theft detection, system security, consumer assistance programs, customer-generator net metering, and other programs that increase an EDC's efficiencies and reduce operating costs. Therefore, the

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Commission directs that a covered EDC's smart meter technology must support the following capabilities:

1. Bidirectional data communications capability.
2. Remote disconnection and reconnection.
3. Ability to provide 15-minute or shorter interval data to customers, EGSs, third-parties and the regional transmission organization ("RTO") on a daily basis, consistent with the data availability, transfer and security standards adopted by the RTO.
4. A minimum of hourly reads delivered at least once per day.
5. On-board meter storage of meter data that complies with nationally recognized non-proprietary standards such as ANSI C12.19 tables.
6. Minimum of 14 days storage capability.
7. Open standards and protocols that comply with nationally recognized non-proprietary standards.
8. Ability to upgrade these minimum capabilities as technology advances and becomes economically feasible.
9. Ability to monitor voltage at each meter and report data in a manner that allows EDC to react to the information.
10. Remote programming capability.
11. Communicate outages and restorations.
12. Ability to support net metering of customer-generators.
13. Support service limiting and prepaid service programs.
14. Support automatic load control by EDC, customer and third-parties, with customer consent
15. Support time-of-use and real-time pricing programs.
16. Provide customer direct access to consumption and pricing information.

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D. Access to smart meters and data

Act 129 requires EDCs to make available to third parties, including electric generation suppliers and providers of conservation and load management services, with customer consent, direct access to the meter and electronic meter data. 66 Pa. C.S. § 2807(f)(3). The Commission believes that the true usefulness of smart meters is to provide information to empower customers to control their electric use. For knowledge itself is power.⁴

In order for customers to be empowered they, or their designated representatives, must have direct access to their consumption data and price data. Therefore, the Commission directs that all covered EDCs must provide at least the following access to their smart meters and data:

1. Non-discriminatory access for retail electric suppliers and third-parties, such as EGSs, and conservation and load management service providers.
2. Open, non-proprietary two-way access for electric suppliers and third-parties, such as EGSs, and conservation and load management service providers.
3. Full electronic access to customers and their representatives to meter data upon customer consent.

The Commission further directs that each EDC plan must address standards and formats for electronic data communications with customers and third parties. There are many approaches for requesting and providing meter-level data today, e.g. electronic bulletin board, pass-key protected websites, compact disk, etc. In addition, EDI (ASC X12 standards) capability has been built by the electricity industry in the Commonwealth to facilitate a reliable, secure economic approach for customer data communication for electric choice. Regardless of the standard or format identified, compliance with

⁴ Francis Bacon.

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Commission orders relating to electronic data communications and the approved Internet protocol at Docket No. M-00960890F0015, is required for third-party access to EDC meter data. The third-party must be EDI tested and certified with the EDC and is free to transcribe that data into any format to meet the customer's specific needs. In order to achieve the capabilities of smart meter technology, however, EDCs are required to implement EDI Change Request #50 relating to 814 Enrollment and the new historical interval usage 867 HIU transactions. The 867 HIU must be updated to facilitate third-party exchange of interval usage at the meter level. A new 867 MIU transaction will also need to be developed and implemented for the exchange of monthly interval usage at the meter level. These and other developments necessary for the implementation of smart meter technology plans require EDC and third-party participation in the Commission's Electronic Data Exchange Working Group ("EDEWG"). The EDEWG is directed to create EDI capabilities for this purpose for implementation no later than January 1, 2010. One alternate solution to the use of EDI specifically for the purpose of smart meter technology implementation that would be acceptable, is the use of retail energy standards and formats relating to demand response and energy efficiency that would be developed for meter level data communication by the North American Energy Standards Board ("NAESB"). Such NAESB standards must be available for implementation no later than January 1, 2010, or at the end of the EDC generation rate cap period. A second alternate and expedient, interim solution is partnership with an EDI-compliant third-party contractor who in turn, would provide data to the customer's authorized agent in any format specified by agreement between those two parties.

E. EDC Cost Recovery

Act 129 allows an EDC to recover reasonable and prudent costs of providing smart meter technology, to include annual depreciation and capital costs over the life of the smart meter technology and the cost of any system upgrades required to enable the

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use of the smart meter technology, incurred after November 14, 2008, less operating and capital cost savings realized by the electric distribution company from the installation and use of the technology. Smart meter technology is deemed to be a new service offered for the first time under Section 2804(4)(vi).

1. Cost Recovery Mechanism

An EDC may recover smart meter technology costs through (1) base rates, including a deferral for future base rate recovery of current basis with carrying charge as determined by the Commission; or (2) on a full and current basis through a reconcilable automatic adjustment clause under Section 1307. 66 Pa. C.S. § 2807(f)(7). However, in no event shall lost or decreased revenues by an EDC due to reduced electricity consumption or shifting energy demand be considered a cost of the smart meter technology recoverable under a reconcilable automatic adjustment clause under Section 1307(b), except that decreased revenues and reduced energy consumption may be reflected in the revenue and sales data used to calculate rates in a distribution rate base rate proceeding filed under Section 1308 (relating to voluntary change in rates), or a recoverable cost. 66 Pa. C.S. § 2807(f)(4).

Act 129 allows an EDC to recover “all reasonable and prudent costs of providing smart meter technology.” In order to determine what these costs are, each EDC will provide a careful estimate of all costs relating to its smart meter deployment and installation plan. These costs will include both capital and expense items relating to all plan elements, equipment and facilities, as well as an analysis of all related administrative costs. More specifically, these costs would include, but not be limited to, capital expenditures for any equipment and facilities that may be required to implement the smart meter plan, as well as depreciation, operating and maintenance expenses, a return component based on the EDC’s weighted cost of capital, and taxes. Administrative costs would include, but not be limited to, costs relating to plan development, cost analysis,

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and reporting. In addition, the plan should include cost estimates for testing, upgrades, maintenance and personnel training. The EDC must also provide sufficient support to demonstrate that all such costs are reasonable and prudent with respect to its smart meter plan.

If an EDC decides to recover its smart meter technology costs through a reconcilable automatic adjustment clause tariff mechanism in accordance with 66 Pa. C.S. § 1307, The Commission will require that this mechanism be included in that EDC's smart meter plan. Such a mechanism shall be designed to recover, on a full and current basis from each customer class, all prudent and reasonable smart meter net costs. An EDC may only recover reasonable and prudent smart meter technology costs, to include "annual depreciation and capital costs over the life of the smart meter technology and the cost of any system upgrades that the [EDC] may require...incurred after [November 14, 2008,] less operating and capital cost savings realized by the [EDC] from the installation and use of the smart meter technology." 66 Pa. C.S. § 2807(f)(7). The mechanism shall be set forth in the EDC's tariff, accompanied by a full and clear explanation as to its operation and applicability to each customer class. The tariff mechanism will be subject to an annual review and reconciliation in accordance with 66 Pa. C.S. § 1307(e). Such annual review and reconciliation will be scheduled to coincide with the submission of the "Smart Meter Progress" annual report outlined in B.4.

2. Allocation of Costs to Customer Classes

The Commission will require that all measures associated with an EDC's smart metering plan shall be financed by the customer class that receives the benefit of such measures. In order to ensure that proper allocation takes place, it will be necessary for the utilities to determine the total costs related to their smart metering plans, as discussed in E.1. Once these costs have been determined, we will require the EDC to allocate those costs to the classes whom derive benefit from such costs. Any costs that can be clearly

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shown to benefit solely one specific class should be assigned wholly to that class. Those costs that provide benefit across multiple classes should be allocated among the appropriate classes using reasonable cost of service practices.

CONCLUSION

This Implementation Order establishes the Commission's smart meter technology procurement and installation standards each EDC plan must meet. This Order also provides guidance on the procedures to be followed for submittal, review and approval of all aspects of each smart meter plan. In addition, it established the Commission's minimum smart meter capability and guidance on deployment of smart meter technology. We extend our thanks to those who participated by providing comments on this crucial and timely energy program. We would especially like to note our appreciation for the cooperation and courtesy extended by all, which was essential in meeting the aggressive timelines established by the General Assembly for Act 129 implementation.

THEREFORE,

IT IS ORDERED:

1. That the Commission establishes specific smart meter technology minimum capabilities and procedures for submittal, review and approval of all aspects of each smart meter plan to include cost recovery.
2. That electric distribution companies with greater than 100,000 customers adhere to the guidelines for smart meter technology procurement and installation identified in this Implementation Order.

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3. That all electric distribution companies that are required to file a smart meter technology procurement and installation plan do so by August 14, 2009.

4. That this Implementation Order be published in the *Pennsylvania Bulletin* and served on the Office of Consumer Advocate, Office of Small Business Advocate, Office of Trial Staff, and all jurisdictional electric distribution companies.

BY THE COMMISSION

James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED:

ORDER ENTERED: