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August 22, 2011

*Via Hand Delivery*

Rosemary Chiavetta, Esq.  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

**RE: SMART METER PROCUREMENT AND INSTALLATION  
TENTATIVE ORDER  
DOCKET NO. M-2009-2092655**

Dear Secretary Chiavetta,

Enclosed for filing, please find an original and three (3) copies of the Energy Association of Pennsylvania's written comments in the above-referenced Docket Number.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Donna M. J. Clark".

Donna M. J. Clark  
Vice President & General Counsel

cc: Hon. Robert F. Powelson, Chairman  
Hon. John F. Coleman, Jr., Vice Chairman  
Hon. James H. Cawley, Commissioner  
Hon. Wayne E. Gardner, Commission  
Hon. Pamela Witmer, Commissioner  
Annunciata E. Marino, Bureau of FUS (electronic copy)  
Kriss Brown, Assistant Counsel (electronic copy)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**COMMENTS OF THE  
ENERGY ASSOCIATION OF PENNSYLVANIA  
TO TENTATIVE ORDER**

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**I. Introduction**

On June 30, 2011, the Pennsylvania Public Utility Commission (“PUC” or “Commission”) adopted a Tentative Order concerning Smart Meter Procurement and Installation at Docket No. M-2009-2092655 (“Tentative Order”) which seeks public comments on the Commission’s review of a Preliminary Proposal for the Development of Smart Meter Data Exchange Standards submitted by the Electronic Data Exchange Working Group (“EDEWG”) on December 7, 2009. Through the Tentative Order, the Commission proposes further direction and clarification about both the role of EDEWG<sup>1</sup> and those electric distribution companies (“EDCs”) obligated to comply with Act 129 of 2008 (“Act 129”) to develop electronic data

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<sup>1</sup> EDEWG was formed by the Commission in the late 1990’s to handle retail choice issues arising from daily electronic data interchange (“EDI”) transactions between electric generation suppliers (“EGSs”) and EDCs and to set the protocol for EDI certification testing. The goal of EDEWG was to ensure EDI transactions contained the necessary information and were uniform; as such, participants in EDEWG are generally technical analysts, focused on ensuring that EDI transactions work seamlessly.

interchange (“EDI”) transaction standards which fully achieve the capabilities of smart meter technology.

Act 129 required EDCs with more than 100,000 customers<sup>2</sup> to file and seek approval of smart meter technology procurement and installation plans (“Smart Meter Plan”) within nine (9) months of the effective date of the statute, i.e. by August 14, 2009. 66 Pa. C.S. 2807(f). Each EDC timely filed a Smart Meter Plan which was subsequently approved by the Commission following hearings and due process proceedings, with West Penn Power Company’s Smart Meter Plan being the final to receive approval on June 30, 2011.

Prior to the statutorily imposed filing deadline, the Commission entered a *Smart Meter Procurement and Installation Implementation Order* (“Implementation Order”) on June 24, 2009 at the instant docket which, *inter alia*, directed EDCs to work through EDEWG and propose EDI capabilities for Commission review no later than January 1, 2010. *Implementation Order at p.*

25. Specifically, the Commission stated:

In order to achieve the capabilities of smart meter technology, ..., EDCs are required to implement an EDI transaction relating to enrollment of customers who elect service on a real-time-price or time-of-use rate program, and a new historical interval usage transaction in order to provide customers and their designated agents with 12 months of interval usage data pursuant to Commission orders at Docket No. M-0960890F0015. Also, the historical usage data transactions must facilitate third-party exchange of historical interval usage at the meter level. An EDI transaction will also need to be developed and implemented for the exchange of monthly, billing quality, interval usage data at the account level. These and other developments necessary for the implementation of smart meter technology plans require EDC and third-party participation in ... EDEWG. Therefore, EDCs are directed to propose EDI capabilities for this purpose through the EDEWG for Commission review no later than January 1, 2010. In developing these proposals, EDCs are encouraged to look at any applicable national standards, such as those developed by the North American Energy Standards Board. *Id.*

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<sup>2</sup> The Energy Association of Pennsylvania’s electric distribution members subject to Act 129 include West Penn Power Company, *A FirstEnergy Company*; Duquesne Light Company; Metropolitan Edison Company, *A FirstEnergy Company*; PECO Energy Company; Pennsylvania Electric Co., *A FirstEnergy Company*; Pennsylvania Power Co., *A FirstEnergy Company* and PPL Electric Utilities Corporation.

Based on this directive, EDEWG recommended data exchange standards for two distinct categories of business processes, current business processes and new business processes that will develop as a result of smart meter technology. *See Preliminary Proposal at p.1.* With respect to current business processes, EDEWG concluded that data exchange standards are defined and that while adjustments to those standards may be necessary, EDEWG was in a position to move forward to identify those adjustments and implement the standards for current business processes. As such, the Preliminary Proposal recommended for Commission consideration resolution to current business process issues including those related to enrolling new customers and the need for a new historical interval usage EDI transaction. The Preliminary Proposal further addressed the applicability of the existing 867 Interval Usage transaction to provide data at the meter level rather than the account level and sought to align any necessary changes with the expiration of individual EDC 30-month grace periods as set forth in Commission approved smart meter technology procurement and installation plans.

Regarding new business processes, the Preliminary Proposal submitted by EDEWG concluded that such new processes were not yet fully defined and it was not possible to develop data exchange standards for undefined business processes that will emerge as a result of implementing smart meter technology. Accordingly, the Preliminary Proposal recommended extending the January 1, 2010 deadline until January 31, 2011 and, including on the EDEWG team tasked with this directive, representation from all stakeholder groups, i.e. electric generation suppliers (“EGSs”), conservation service providers (“CSPs”) and other interested third parties. The Preliminary Proposal suggested a specific mission for the expanded “sub-team” and recommended consideration of applicable national standards such as those under development by the North American Energy Standards Board. Essentially, once the new

business processes were defined, EDEWG, through the expanded “sub-team”, would “identify what data needs to be exchanged and recommend standards for exchanging the required data.” Preliminary Proposal at p. 7. The Preliminary Proposal concluded with a timeline to complete its task of developing smart meter data exchange standards for both current and new business processes by January 31, 2011 which was dependent, in part, upon Commission consideration of EDEWG’s request for an extension of the deadline set forth in the Implementation Order.

In the instant Tentative Order, the Commission reviews the recommendations of EDEWG with respect to current business practices, offering some further modifications and establishing additional deadlines. The Commission also proposes approval of an expanded EDEWG “sub-team” and instructs that group to identify and develop the necessary new business practice standards and formats to support Act 129 smart meter statutory requirements. The Tentative Order contemplates further review by the Commission of the work product of the expanded EDEWG “sub-team” which is to be submitted to the Commission within ninety (90) days of the entry of a final order in this matter. Finally, the Tentative Order details specific expectations for the “sub-team” under the headings of “Required Functionality” and “Standardization Efforts”.

EAP, on behalf of its member EDCs, which have Commission approved Act 129 Smart Meter Plans, files the instant comments which focus on those sections of the Tentative Order entitled “Data Exchange Standards for New Business Processes” and “Timeline for Development of Smart Meter Data Exchange Standards”. EAP agrees with and incorporates by reference the concerns and solutions voiced by its EDC members to that portion of the Tentative Order under the heading “Data Exchange Standards for Current Business Processes”.

## **II. Comments**

### **A. Data Exchange Standards for Current Business Processes**

As stated above, EAP comments will primarily focus on the “Data Exchange Standards for New Business Processes” and “Timeline for Development of Smart Meter Data Exchange Standards” as set forth in the Tentative Order. EAP strongly echoes, however, the timing concerns raised by EDCs regarding the exchange of historical interval usage data through the 867 transaction and the exchange of monthly, bill quality interval usage data at the meter level.

With respect to historical usage data, EDEWG, in the Preliminary Proposal, concluded that the 867 transaction would not be the most economic or efficient method of providing the data and suggested exploring alternate solutions. In the Tentative Order, the Commission agreed and directed that EDEWG propose alternate solutions which would then be implemented within 180 days of the entry of a final order in this proceeding. EAP does not believe that 180 days is an adequate period of time to allow for EDEWG to conduct an analysis of complex CIS and billing system modifications along with their estimated costs as potential options, recommend a solution for Commission approval and, thereafter, have EDCs implement the agreed upon solution. Additional time may be needed beyond the 180 days contemplated in the Tentative Order and EAP requests that the Commission provide for flexibility in any final order or directive.

With respect to the exchange of monthly, bill quality interval usage data and the use of a modified version of the existing 867 transaction to communicate meter level data, the Tentative Order agrees with the Preliminary Proposal but establishes a timeframe for completion of that task which EAP believes is problematic given the work now underway by each of the EDCs in compliance with Commission approved Smart Meter Plans and the limitations of EDEWG as

currently configured. The Commission directs that implementation occur 12 months prior to the end of the individual 30-month grace periods approved in each EDC's Smart Meter Plan. The various EDC grace periods, with the exception of West Penn Power, are set to expire in October of 2012, meaning that, in order to comply with the timeline for implementation suggested in the Tentative Order, any modified 867 transaction would need to be implemented this fall. EAP recommends that, at a minimum, implementation of a modified 867 transaction to exchange monthly, bill quality interval usage data should be set for a date that aligns with the expiration of individual EDC grace periods.

**B. Data Exchange Standards for New Business Processes and Timeline for Development of Smart Meter Data Exchange Standards**

EAP commends the Commission for adopting that portion of the Preliminary Proposal which recommends that, moving forward, EDEWG should include EDCs and other third-parties such as EGSs and CSPs "to develop any new system data capabilities that are recognized as necessary and justifiable by EDCs in their respective smart meter plans." *Tentative Order at pp. 6 – 7.* In the Tentative Order, the Commission specifically directs EDEWG to identify and develop new standards and formats to support Act 129 smart meter statutory requirements for further Commission review, along with maintaining existing standards and processes. *Id. at p. 8.* To achieve this task the Commission should encourage EDEWG to adopt existing national standards where appropriate and provide any necessary Pennsylvania implementation guidelines rather than developing Pennsylvania-specific standards. Both the Implementation Order and the Preliminary Proposal recognized the value in looking to national standards. EAP believes that this task is well suited to the historical role of EDEWG, particularly if EGSs and CSPs participate, and notes that, based on a similar role played by EDEWG in the Commission's prior investigation into competition in the natural gas retail market, i.e. S.E.A.R.C.H., completion of

this project alone will be time-consuming and may benefit from additional Commission staff and outside expert resources.

EAP questions. however, the suggestion in the Tentative Order that EDEWG's role should be expanded further to encompass a review of each EDC's current smart meter plan to determine whether the individual plans provide for specific functionalities and then to perform certain tasks to assess the opportunities for statewide standardization, including the estimate of system and operational costs. First, EDCs have spent millions of dollars to implement processes and design infrastructure in reliance on the Commission's approval of individual smart meter plans. To suggest that those plans may now be subject to change will introduce significant risk and uncertainty into the smart meter implementation process now underway and could delay or complicate ongoing efforts of EDCs to implement measures that have already been approved, including implementation of the AMI network infrastructure itself. Second, EDEWG is clearly not configured to undertake such a broad analysis of the current status of development of each individual EDC smart meter plan, determine which of the processes employed should be adopted statewide and then perform a cost-benefit analysis.

Equally as concerning is the use of the instant tentative order process to task a volunteer working group with suggesting modifications to prior Commission orders in a 90 day timeframe which will then be incorporated into EDEWG's current operational documents assumedly following some additional Commission review. *Tentative Order at pp. 9 – 10.* As noted above, EDEWG is a volunteer organization originally formed by the Commission in the late 1990's to handle EDI transactions in the context of retail choice. While the expansion of its role to assist in the identification and development of EDI transactions needed pursuant to Act 129 smart meter requirements may be appropriate, members of this organization are technical analysts not

normally tasked with examining policy alternatives nor in a role to propose revisions to Commission orders. Even if 90 days was a sufficient period of time in which to complete the report outlining EDEWEG's findings and conclusions regarding the identified functionalities and proposing opportunities for statewide standardization of transactions and protocols, EAP believes further Commission action would be necessary to adopt any recommendations. This would necessarily cause delay and confusion in the current implementation schedule for approved smart meter plans. EAP suggests that the work plan outlined for EDEWG on page 9 of the Tentative Order be removed from any Final Order in this proceeding.<sup>3</sup>

Moreover, EAP contends that the issues outlined under the "Required Functionality" heading of the Tentative Order have already been addressed by the Commission in its Implementation Order, *see, e.g. Implementation Order at p. 27*, and in the course of proceedings conducted with respect to the consideration and ultimate approval of each EDC smart meter plan and should not be revisited through EDEWG. With respect to the issues identified under the heading "Standardization Efforts". EAP notes that EDEWG will be considering the applicability of national standards and thus should not spend volunteer time to develop statewide standards. EDEWG is not an organization with the expertise to estimate system or operational costs or develop costs for a statewide solution.

EAP urges the Commission to expand the composition of the EDEWG "sub-team" tasked with identifying, developing and maintaining current and new business processes necessary to

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<sup>3</sup> At a minimum, EAP requests that the Commission clarify the nature of the action it will take in this proceeding generally and, particularly, if the proposed assignment to EDEWG to submit a report on functionalities and standardization efforts remains a part of any Final Order. On its face, the Tentative Order could be construed as an effort to establish mandatory requirements regarding smart meter procurement and installation. For example, apart from the report, the Tentative Order proposes specific deadlines for certain action by EDCs. *See Tentative Order at pp. 5 – 6*. Administrative agencies may create such "binding norms" through adjudications or rulemaking. *Pa. Human Relations Commission v. Norristown Area School District*, 344 A.2d 671 (Pa. 1977). However, the process used by the Commission here does not follow the required procedure for either of these types of action and thus may be akin to a policy statement.

support standards and formats to meet Act 129 smart meter requirements to include EGSs, CSPs and other third party stakeholders. EAP requests that the Commission instruct the sub-team to identify the data exchange requirements necessary to support identified current and new business processes and to thereafter develop the requisite data exchange standards. For the reasons detailed above, EAP respectfully asks that the Commission reconsider language in the Tentative Order directing EDEWG to review specific functionalities under previously approved smart meter plans and to develop statewide standards relating to those functionalities along with cost estimates for such standards.

### **III. Conclusion.**

EAP appreciates the opportunity to submit comments to the Commission's Tentative Order in this docket and looks forward to working with the Commission to identify an appropriate and workable resolution on the identification and development of smart meter data exchange standards for current and future business processes.

Respectfully Submitted,



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