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August 22, 2011

VIA FEDEX NEXT DAY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Smart Meter Procurement and Installation Plans; Docket M-2009-2092655

Dear Secretary Chiavetta:

Enclosed are an original and three (3) copies of the Comments of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company regarding Pennsylvania Public Utility Commission's Tentative Order entered July 8, 2011, at the above-captioned docket. The filing is made by FedEx Next Day and is deemed filed today.

Very truly yours,

John L. Munsch
Attorney

JLM:jss

Enclosures

cc: Kriss Brown (kribrown@state.pa.us)
Annunciata E. Marino (annmarino@state.pa.us)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

COMMENTS OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY AND WEST PENN POWER COMPANY

I. INTRODUCTION

On July 8, 2011, the Pennsylvania Public Utility Commission ("Commission") entered a Tentative Order in the above-referenced matter to seek comments on proposed electronic data interchange capabilities to be developed and reported by the Electronic Data Exchange Working Group ("EDEWG"). The Commission directed that comments be submitted on or before thirty (30) days from the date the Tentative Order is published in the *Pennsylvania Bulletin,*[1] and that reply comments be submitted within fifty (50) days from the date the Tentative Order is published in the *Pennsylvania Bulletin.*[2] The Tentative Order was published in the *Pennsylvania Bulletin* on July 23, 2011 at 41 Pa.B. 4066.

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (collectively, "the Companies") respectfully submit the following comments in response to the Commission's Tentative Order.

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[1] Tentative Order at Ordering Paragraph 2.
[2] Tentative Order at Ordering Paragraph 3.

II. COMMENTS

The Commission has laid out its Tentative Order in a similar discussion as EDEWG's Preliminary Proposal submitted to the Commission on December 7, 2009. Specifically, there is a separate discussion of the data exchange standards for current business processes and for new business processes. The Companies' comments follow this same separation and are addressed individually.

Data Exchange Standards for Current Business Processes

The Commission's Smart Meter Procurement and Installation Implementation Order ("Implementation Order") entered June 24, 2009, provided that electric distribution companies ("EDCs") are required to implement an electronic data interchange ("EDI") transaction relating to: (1) enrollment of customers who elect service on a real-time price or time-of-use rate program; (2) providing customers and their designated agents with 12 months of interval usage data; and (3) the exchange of monthly, billing quality, interval usage data recorded at the meter level.[3] The Tentative Order proposes additional clarification and directives as described below:

1. Enrollment of customers who elect service on a real-time price or time-of-use rate program.

EDEWG's Preliminary Proposal explained that EDI transactions are not required to establish customers in new rate programs, including real-time price or time-of-use rate programs, which means EDCs can continue to utilize their existing 814 Enrollment Request transactions.[4]

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[3] Implementation Order at pg. 25.
[4] Preliminary Proposal at pg. 3.

In the Tentative Order, the Commission agreed that the current practices of providing dual billing and bill-ready consolidated billing should be approved for the enrollment and billing of electric generation supplier ("EGS") customers who purchase service under a real-time and time-of-use pricing option. The Commission proposed that EDCs be required to submit the appropriate EDI change control requests for the appropriate EDI transactions to EDEWG within 30 days of the entry of a Final Order in this proceeding, and effect implementation of the changes on an immediate, high priority basis.[5]

If a customer elects service on a real-time or time-of-use pricing option under a dual billing scenario, an EGS would use the existing 814 Enrollment transaction and specify that they will calculate and bill their own charges. Similarly, if a customer elects service on a real-time or time-of-use pricing option under a bill-ready EDC-consolidated billing option, an EGS would use the existing 814 Enrollment transaction and specify that they will calculate their own charges to be consolidated with the bill produced by the EDC. The Companies' enrollment and billing system is currently programmed to accept dual billing and bill-ready EDC-consolidated billing. Therefore, there would be no reason for the Companies to submit an EDI change control request since it already has such functionality in place and in use.

2. Providing customers and their designated agents with 12 months of interval usage data.

EDEWG's Preliminary Proposal indicated that the existing 867 Historical Interval Usage ("HIU") transaction is already designed to meet the need of providing interval usage data. However, it calculated that a single meter providing 15-minute interval reads

[5] Tentative Order at pg. 5.

would produce 34,560 reads in a 12-month 867 HIU transaction as compared to 12 reads for a manually read register meter over the same period. Therefore, the Preliminary Proposal concluded that, rather than establishing the 867 HIU transaction as the standard at this time, it would like to explore other methods for providing historical interval usage data, including, but not limited to, web presentment or other internet delivery approaches.[6]

In the Tentative Order, the Commission agreed that the use of the 867 HIU transaction may not be the economically efficient method for providing historical interval usage data at the meter level, and proposed that EDEWG explore its options with EDCs and identify an alternate solution than can be implemented by the EDCs within 180 days of the entry of a Final Order in this proceeding.[7]

The Companies agree that not using an 867 HIU transaction is more a matter of practicality rather than function. Although the 867 HIU transaction may *function* as a means to provide historical interval usage data, it is not necessarily *practical* due to the sheer volume of data. Even with the implementation of the 867 HIU transaction, such requests may be limited since the volume of data can overwhelm EDC and/or EGS systems. With the implementation of smart metering, the volume of data will increase exponentially to the point of being unmanageable or impractical via the 867 HIU transaction. Additional complexity arises if EGSs request 60-minute interval usage data when the meter records 15-minute or 30-minute interval usage data.

To mitigate this situation, the Companies have placed hourly interval usage data on a secured section of the supplier services website. Each EGS is given a unique

[6] Preliminary Proposal at pg. 5.
[7] Tentative Order at pg. 5.

password which allows them to access the usage data at their discretion. The Companies recommend that such a process is an economically efficient short-term solution for providing historical interval usage data. This is also a prudent solution in light of the on-going activities with the National Institute of Standards and Technology for smart metering transactions.

With regard to a long-term solution in concert with the full deployment of smart metering, a customer portal may be a viable option. Such a portal need not be implemented within 180 days of the entry of a Final Order in this proceeding since the placement of usage data at a supplier service's website accommodates the need to provide such data at an economically efficient short-term solution. The development of a customer portal should be a careful and measured approach with an evaluation that includes, but is not limited to, whether there should be a common portal for all EDCs or an EDC-specific portal, whether existing portals can be used or augmented, processes affected by the portal, technical requirements of the portal, cost-collection mechanisms, and the ability to accommodate and manage large amounts of data flow. To ensure that such a robust mechanism is economically efficient and prudent, the development and implementation of such a portal could, and likely would, extend well beyond 180 days.

With regard to the Commission's recommendation to use EDEWG to explore options and identify an alternate solution, the Companies question whether EDEWG is the appropriate organization, as described later in these comments.

3. The exchange of monthly, billing quality, interval usage data recorded at the meter level.

EDEWG's Preliminary Proposal indicated the 867 Interval Usage ("IU") transaction is already designed to meet this need. However, some EDCs currently use this transaction to provide interval usage data at the account level since, in its current form, this transaction defines providing meter level detail as optional. To make meter level detail required for this transaction, the Preliminary Proposal suggests the requirement will take effect for each EDC at the expiration of their respective 30-month grace period since this change may necessitate modification of the EDC systems.[8]

In the Tentative Order, the Commission agreed with the proposal to use a modified 867 IU transaction to communicate meter level data. However, the Commission proposed that EDCs complete system changes and testing of the modified 867 IU no later than 12 months prior to the expiration of the respective 30-month grace period in their approved smart meter plans.[9]

For the Companies the account level and meter level are generally the same because it is common practice to provide a delivery point through a single meter at one supply voltage. There are rare legacy installations that may have more than one meter at more than one supply voltage. However, for such rare installations, the Companies currently provide usage data for the separate meter and supply voltage.

There are other rare installations where multiple meters are totalized for tariff billing. In such situations, billing is not provided for any of the individual meters since the totalized meter data is used for billing all EDC charges in accordance with the

[8] Preliminary Proposal at pg. 5.
[9] Tentative Order at pg. 6.

Commission-approved tariff, as well as other functions such as scheduling and EGS enrollments. In such rare installations, the totalized meter data should be considered "meter level" (instead of each individual meter) since billing, scheduling and enrollments are not provided for each individual meter, but is instead provided only a totalized basis. Therefore, the Companies believe that they currently comply with the Commission's proposal to communicate meter level data via the 867 IU transaction.

Data Exchange Standards for Future Business Processes

The Tentative Order proposed that the identification and development of new standards and formats to support Act 129 smart meter statutory requirements, along with the ongoing maintenance of existing standards and processes for this purpose, be developed by EDEWG and presented to the Commission for review. The Commission further proposed that the development and ongoing maintenance of these standards and processes be done in a manner that includes all EDEWG participants, specifically, all EDCs, licensed EGSs, registered CSPs and all other interested parties.[10]

The Tentative Oder also clarified the Commission expectations of the EDEWG team to include Required Functionality and Standardization Efforts. "Required Functionality" requires EDEWG to review each EDC's current smart meter plan for provision of the following required functionality:

(a) to provide customers with direct access to hourly usage and price information;

(b) to provide support for automatic control of a customer's electricity consumption by the customer, the utility or a customer's agent (at the discretion of the customer); and

[10] Tentative Oder at pg. 8.

(c) to provide direct meter access and electronic access to customer meter data by third parties with customer consent.

"Standardization Efforts" requires EDEWG to perform the following:

(a) provide detailed description of any proposed statewide standardized transactions or protocols, if any, for each of the EDCs for providing the required functionality;

(b) provide estimated system and operational costs, both total and annual, for each utility to provide the required functionality;

(c) review the ability for a statewide solution to provide the required functionality; and

(d) review costs for a statewide solution to provide the required functionality for all utilities.

The Commission further proposed that EDEWG submit to the Commission a report outlining its findings and conclusions within 90 days of the entry of a Final Order in this proceeding.[11]

The Companies are concerned that the Tentative Order outlines a role for EDEWG that expands EDEWG's original charge. The primary concern is that the Tentative Order assumes that EDEWG, as it currently exists, is the appropriate platform for developing smart meter systems or solutions.

EDEWG was formed over a decade ago to handle retail choice issues arising from the daily EDI transactions between EGSs and EDCs and to set the protocol for EDI certification testing. EDEWG's goal was to ensure EDI transactions contained the required information and maintained uniformity.

[11] Tentative Order at pg. 9.

Currently, EDEWG deals with technical EDI issues. The members of EDEWG are generally technical analysts whose focus is ensuring EDI works smoothly. The group generally does not consist of people who set strategic direction for their companies. However, the Tentative Order expands EDEWG's role by adding the issue of smart meter functionality. Notably, EDEWG's role is expanded to review each EDC's smart meter plan for Required Functionality.

The Companies point out that the expansion of EDEWG's role into smart meter functionality creates several problems.

- EDEWG does not necessarily have the expertise needed for the tasks outlined on page nine of the Tentative Order related to Required Functionality, particularly those involving data security and system security. Security is an area through which customers and customer groups are particularly concerned, so this area should be evaluated carefully and thoroughly.
- The Tentative Order would have EDEWG review each EDC's smart meter plan for "direct meter access" under part (c) under Required Functionality. There remains a basic need to determine a common definition of "direct meter access" so EDCs have a common understanding of functionality since the Implementation Order determined that a distinction should be made between access to the physical meter and access to the meter information, and did not required EDCs to allow customers and their designed agent to tamper or physically access the meter itself.[12]

[12] Implementation Order at pg. 27.

- It will be difficult for EDEWG to create standardization among EDCs outlined on page nine of the Tentative Order related to Standardization Efforts, and to access each EDC's detailed requirements. With respect to part (d) under Standardization Efforts, the Companies have a concern that EDEWG would not be able to find or calculate estimates of costs after reviewing the EDCs' current smart meter plans since it is premature at this time to develop estimated costs because the overall smart meter total solution is still being determined.
- EDEWG could have difficulty coordinating EDC efforts. EDEWG is not chartered to enter into agreements between EDCs for matters such as cost sharing, dispute resolution, and confidentiality terms.

Consequently, recognizing the difficulties faced by EDEWG, a better arrangement may be for such expectations to be provided to a strategic planning group. Such an existing group could be born as a collaborative from the Investigation of Pennsylvania's Retail Electricity Market at Docket No. I-2011-2237952. Another alternative is for the EDCs to form a joint development that could cover such items as cost sharing, cost recovery through the smart meter riders, project management, third party vendor selection, management and dispute resolution.

Additionally, the Companies submit that whatever forum or group is assigned the tasks in the Tentative Order, the period of 90 days from the entry of a Final Order to submit a report outlining its findings and conclusions is an insufficient amount of time. Not only does it require the group to assemble a very large amount of data in a short period of time, it also does not take into account that the Companies will not be filing

their full smart meter deployment plan and schedule until June 2012. Such analysis can not reasonably occur until after the filing of each EDCs full smart meter deployment plan and schedule. The issue is further complicated if intervening parties take divergent positions during the smart metering proceeding, which can result in an uncertain outcome until a final Commission order. As such, the proposal to submit a report within 90 days of the entry of a Final Order will not be possible from a practical standpoint.

The Companies provide a final comment concerning the Tentative Order. The Tentative Order indicates that the Commission will establish binding standards for electronic data interchange capabilities for smart meter processes. The standards include deadlines for the completion of a final report by EDEWG and, more fundamentally, assignment of the task to EDEWG. The Commission's Order assumes facts, such as that EDEWG is the appropriate policy group and that all EDCs should have same deadlines for smart meter EDI. The facts are assumed despite the absence of an underlying fact-finding which is a prerequisite for rulemaking. As such the Tentative Order is contrary to regulatory process as it establishes binding standards and constitutes rulemaking without fact finding necessary for the promulgation of regulations.

III. CONCLUSION

Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company appreciate the opportunity to provide comments on the Commission's investigation regarding the development of statewide smart meter data exchange standards and formats, and look forward to working with the Commission and other interested parties on this important matter.

Respectfully submitted,

Dated: August 22, 2011

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