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September 12, 2011

Via eFiling and Overnight Mail

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

In accordance with the Tentative Order entered by the Commission on July 8, 2011 and published in the Pennsylvania Bulletin on July 23, 2011 in the above-referenced proceeding, please find enclosed for filing an original and three (3) copies of the Reply Comments of FirstEnergy Solutions Corp.

Very truly yours,

Amy M. Klodowski
Attorney

AMK:dml

Enclosures

cc: Annunciata E. Marino, Analyst, Pennsylvania Public Utility Commission (via email)
Kriss Brown, Assistant Counsel, Pennsylvania Public Utility Commission (via email)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

REPLY COMMENTS OF FIRSTENERGY SOLUTIONS CORP.

FirstEnergy Solutions Corp. ("FES") respectfully submits these Reply Comments to Comments filed August 22, 2011 in this proceeding pursuant to the Tentative Order entered by the Commission on July 8, 2011 and published in the *Pennsylvania Bulletin* on July 23, 2011 (the "Tentative Order"). FES, a subsidiary of FirstEnergy Corp., is experienced in wholesale and retail markets, and offers wholesale and retail energy and related products to customers located primarily in the Mid-Atlantic and Midwest regions. FES participates in utilities' competitive electric generation supply procurement processes, including the default service supply procurements of all the largest electric distribution companies ("EDCs") in Pennsylvania. In addition, FES is a licensed Electric Generation Supplier ("EGS") in Pennsylvania, having been authorized at Docket No. A-110078 to serve all categories of retail customers throughout the Commonwealth. FES notes that no other EGSs filed Comments in this proceeding and is filing these Reply Comments to respectfully offer its perspective regarding ways in which smart meter procurement and installation implementation as set forth in the Tentative Order will impact EGSs.

1. EDI Transactions

A. EGS Customers Purchasing Service on a Real-Time or Time-of-Use Pricing Option.

The current 814 Enrollment transaction allows an EGS to enroll a customer who purchases service under a real-time or time-of-use pricing option, regardless of whether that

customer is currently under a bill ready consolidated billing option, or receiving dual billing. FES agrees with the Comments of PPL Electric Utilities Corporation ("PPL") and Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company ("MetEd/Penelec/PennPower/WPP") in this regard. PPL states that it does not "believe that any change is required to any EDI transaction, including but not limited to the 814 Enrollment Request, to support real-time or time-of-use pricing programs offered by an EGS under Dual Billing and Bill Ready Consolidated Billing protocols."[1] MetEd/Penelec/PennPower/WPP states, "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."[2] FES concurs with these EDCs' evaluations.

B. Historical Interval Usage ("HIU")

FES agrees with the Comments filed by several EDCs in regard to the use of the existing 867 HIU transaction to provide interval usage data.[3] While the current 867 HIU transaction provides the functionality necessary to meet the requirements of the June 24, 2009 Implementation Order,[4] it is not an efficient or practical option for the long-term. Due to the amount of meter reads that would be required over a 12-month period, in 15-minute intervals, the

[1] Comments of PPL, p. 5.
[2] Comments of MetEd/Penelec/PennPower/WPP, p. 3.
[3] See, e.g., Comments of MetEd/Penelec/PennPower/WPP, p. 5; Comments of PPL, p. 8; Comments of PECO Energy Company ("PECO"), p. 6; Comments of Duquesne Light Company ("Duquesne"), p. 7.
[4] *Smart Meter Procurement and Installation Implementation Order,* Docket No. M-2009-2092655 (Order entered June 24, 2009).

current 867 HIU transaction would not be an economic or efficient method for providing this data. Alternatives such as web-based solutions need to be explored in order to provide flexibility in requests and practicality in serving smart meter customers, while taking into consideration input from EGSs as to how this can be accomplished.

The MetEd/Penelec/PennPower/WPP Comments state that while the current 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."[5] The Comments discuss alternatives and state: "With regard to a long-term solution in concert with the full deployment of smart metering, a customer portal may be a viable option."[6] PECO agrees that "more efficient solutions for providing customers and their agents with HIU data" need to be explored.[7] Likewise, Duquesne states that it believes "developing a process for providing this information to EGSs via the web in a standardized uniform way that they can download is a solution worth pursuing with EDEWG or any other group more suited to work collaboratively in this regard."[8]

Additionally, providing an alternative option that allows for flexibility in interval requesting will facilitate interactions among customers, EDCs, and EGSs alike. For example, a potential issue arises if an EGS needs to "request 60-minute interval usage data when the meter records 15-minute or 30-minute interval usage data."[9] Developing a flexible alternative that takes into account the complexities inherent in different service options available to customers, including those that may require different interval usage data recoveries, will allow suppliers to better serve individual customers and their needs. FES believes it to be of utmost importance that

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[5] Comments of MetEd/Penelec/PennPower/WPP, p. 4.
[6] *Id* at, p. 5.
[7] Comments of PECO Energy Company, p. 5.
[8] Comments of Duquesne Light Company, p. 6.
[9] Comments of MetEd/Penelec/PennPower/WPP, p. 4.

EGSs be consulted in developing potential alternative solutions to ensure functionality and practicality from a supplier and customer choice standpoint.

C. Bill Quality Interval Usage

With regard to Bill Quality Interval Usage, FES respectfully suggests that EGS input is critical. In this, FES agrees with PECO's comment that: "EDEWG should seek additional input from EGSs before implementation to clarify several points."[10] PECO outlines a few instances where additional EGS input should be taken into account to determine whether certain functionality, such as the ability to roll up data if everything is received at the meter level in order to bill, is even desired.[11] PECO goes on to point out correctly that "EGSs will have to make changes to their own systems to enable them to use the meter level data...and some EGSs may prefer to continue to receive the data at the account level to simplify their data processing."[12] Thus PECO concludes that "additional input from a broad cross-section of the EGS community is critical in order to reach an efficient and effective solution."[13] FES is in complete agreement with PECO's recommendation that additional input from EGSs is needed.

2. Data Exchange Standards for Future Business Processes

FES believes that it is absolutely critical for input and communication from the EGS community to be given serious consideration when discussing smart meter implementation. Also, any sub-teams or groups that may consequently be established should include EGSs when considering or discussing possible smart meter processes that relate to customers, and have a potential effect on EGSs, their customers, or retail choice in general. The Energy Association of

[10] Comments of PECO,p.7.
[11] *Id* at p.7.
[12] *Id* at p.7.
[13] *Id* at p.8

Pennsylvania ("EAP") in its Comments "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.'"[14] FES agrees with EAP's statements, and respectfully emphasizes that such third-party input will serve to avoid potential issues in the future.

3. Conclusion

FES believes that participation from EGSs in developing the implementation of smart meter procurement and installation in Pennsylvania is imperative not only from a supplier perspective but also from a customer choice standpoint. The Tentative Order provides an opportunity for EDEWG to prevent significant uncertainty in EDC smart meter plans regarding the responsibilities and obligations of suppliers, and their coordination of these responsibilities with those of the EDC. FES supports the implementation of smart meter technology, but it does so with the recommendation that the Commission carefully consider not just how smart meter technology will affect the customer and the EDCs, but also retail choice and the suppliers that participate in it. The outcome of this proceeding will impact EGSs, their customers, and retail choice in general. Thus, it is in the best interest of all parties involved to implement a process that has taken into account the interests of all stakeholders in the Pennsylvania retail electricity markets.

[14] Comments of the Energy Association of Pennsylvania, p. 6.

Respectfully submitted,

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