

PENNSYLVANIA UTILITY LAW PROJECT

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March 1, 2010

Via Electronic Filing (E-Filing)

Secretary James J. McNulty
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Petition of PPL Electric Utilities Corporation for Approval of a Smart Meter
Technology Procurement and Installation Plan
Docket No. M-2009-2123945**

Dear Secretary McNulty:

Pursuant to 52 Pa. Code § 5.535, enclosed for filing in the above captioned proceeding please find the Reply Exceptions of the Pennsylvania Association of Community Organizations for Reform Now ("ACORN").

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,



Julie George
Pa. Attorney ID: #208482

Enclosures

cc: ALJ Wayne L. Weismandel

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities :
Corporation for Approval of its Smart :
Meter Implementation & Procurement :
Plan :** **Docket No. M-2009-2123945**

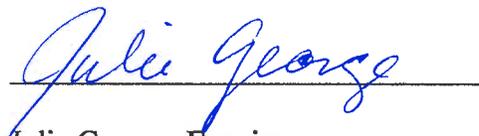
CERTIFICATE OF SERVICE

I hereby certify that I have served true copies of PA ACORN's Reply Exceptions, dated March 1, 2010, in the above captioned proceeding on the parties of record listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

Via First Class and Electronic Mail

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Dated: March 1, 2010

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PPL Electric Utilities :
Corporation for Approval of its :
Smart Meter Procurement and : Docket No. M-2009-2123945
Installation Plan :**

REPLY EXCEPTIONS OF THE ASSOCIATION OF COMMUNITY
ORGANIZATIONS FOR REFORM NOW ("ACORN")

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Dated: March 1, 2010

INTRODUCTION

On August 14, 2009, PPL Electric Utilities Corporation (“PPL”) filed its “Petition of PPL Electric Utilities Corporation for Approval of a Smart Meter Technology Procurement and Installation Plan” (“Plan” or “SMIP”). The filing was assigned to the Office of Administrative Law Judge, particularly to the Honorable Wayne L. Weisman del for investigation. On September 25, 2009, the Association of Community Organizations for Reform Now (“ACORN”) filed a Petition to Intervene, Pre-hearing Memorandum, and Comments in response to PPL’s SMIP. A pre-hearing conference was held on September 29, 2009, at which time a procedural schedule was established. Pursuant to this schedule, on October 6, 2009, a technical conference was convened. On October 9, 2009, ACORN filed the Direct Testimony of Ian Phillips. ACORN filed no Surrebuttal Testimony. Evidentiary hearings were held on November 3, 2009. ACORN filed no Main Brief but did file a Reply Brief on December 18, 2009. An Initial Decision (“I.D.”) was issued on January 28, 2010. While ACORN filed no Exceptions, ACORN respectfully files these Reply Exceptions, the purpose of which is to support the Exceptions filed by the Office of the Consumer Advocate (“OCA”), specifically Exception #2.

ACORN REPLY EXCEPTION #1: **ACORN supports OCA Exception #2 and concurs that PPL’s Service Limiting and Pre-Pay Metering Pilot Programs should not be approved by the Commission.**

ACORN respectfully submits the OCA is correct in asserting that the ALJ errs in approving PPL’s service limiting and pre pay metering pilot programs, and the Commission should not affirm that aspect of the Initial Decision. See I.D. at 28; OCA Exceptions at 6-8.

As the OCA notes in its Exception #2, the Commission has indicated it will conduct a separate proceeding to analyze the policy implications of pre pay metering and service limiting.

See OCA Exceptions at 6; Smart Meter Procurement and Installation, Docket No. M-2009-2092655, (Order entered June 24, 2009) at 18. This decision by the Commission is a clear indication that there are important aspects of pre pay metering and service limitation that deserve considered examination. The two new service options may have serious impacts on the health and welfare of consumers, particularly low income and vulnerable customers. These potential impacts need to be examined. The separate proceeding to analyze the policy implications of pre pay metering and service limiting is the proper forum for this examination rather than on a case by case basis.

The Commission has opened the door for the inclusion of pre pay metering and service limiting in the current proceeding. However, caution must be exercised before permitting PPL to walk through that door for the purpose of piloting these two programs. The Commission should be particularly cautious where, as is the case presently, PPL has not conducted sufficient preliminary investigations into the potential dangers of these new services. As noted in OCA's Exception #2:

with respect to the service limiting pilot, PPL: 1) has not "done any in-depth due diligence, 2) has not "gotten into specific details on the design", and 3) has not determined the type of notice to be given before disconnection (and when). Tr. at 117-122. As to the pre-payment pilot, Mr. Godorov also conceded that PPL has not: 1) undertaken any studies addressing whether energy usage declines from pre-payment programs are the result of the concerted efforts to reduce usage or simply going without electricity once the prepayment expires, 2) identified safeguards to be employed to assure that customers can recharge their meters, and 3) reviewed any materials addressing low income customers. *Id.* at 123-126.

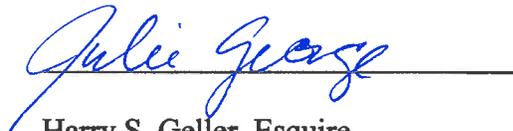
OCA Exceptions at 6-7. This lack of investigation and preparation by PPL is a clear indicator that this is not an appropriate situation in which the Commission should allow PPL to initiate and conduct pilots in advance of the Commission's future proceeding specifically intended to analyze the policy implications of pre pay metering and service limiting. PPL's lack of preliminary work

shows a clear lack of appreciation for the potential dangers to customers, and the Commission should reject the pre pay metering and service limitation pilots proposed by PPL and approved in the Initial Decision.

CONCLUSION

In conclusion, ACORN supports the arguments made by the OCA in its Exception filed on February 17, 2010, specifically Exception #2, and asks the Commission to disapprove as part of PPL's SMIP the pre pay metering and service limiting pilot programs.

Respectfully submitted,

A handwritten signature in blue ink that reads "Julie George". The signature is written in a cursive style and is positioned above a horizontal line.

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