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Gary A. Jack
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June 25, 2010

VIA ELECTRONIC FILING AND OVERNIGHT MAIL

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

**Re: Duquesne Light Company Petition for Approval of Smart Meter
Procurement and Installation Plan**
Docket No: M-2009-2123948

Dear Secretary Chiavetta:

Enclosed for filing please find one (1) original of Duquesne Light Company's Reply Comments in response to the Commission's May 11, 2010 Opinion and Order in the above-referenced proceeding. These Reply Comments are being electronically filed on the Commission's E-Filing website, with a paper copy and confirmation of electronic filing being sent via overnight mail.

Sincerely yours,

Gary A. Jack
Assistant General Counsel

Enclosures

cc: Service List (via Electronic Mail and United States First Class Mail)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DUQUESNE LIGHT COMPANY :
Smart Meter Procurement and : Docket No. M-2009-2123948
Installation Program :

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Reply Comments of Duquesne Light Company in the above-referenced proceeding has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant):

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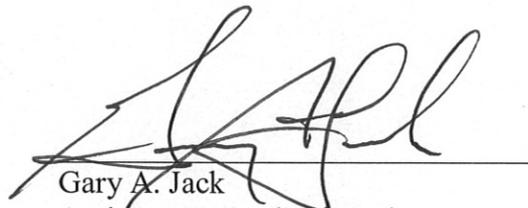
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Dated: June 25, 2010

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DUQUESNE LIGHT COMPANY	:	
Petition for Approval of Smart	:	Docket No. M-2009-2123948
Meter Procurement and Installation	:	
Plan	:	

**REPLY COMMENTS OF DUQUESNE LIGHT COMPANY
TO ENERNOC’S COMMENTS REGARDING SUB-HOURLY METERING**

I. Introduction

The Pennsylvania Public Utility Commission issued an Opinion and Order in the above-referenced docket on May 11, 2010, approving Duquesne Light’s (“Duquesne” or “Duquesne Light” or “the Company”) Petition for Approval of its Smart Meter Technology Procurement and Installation Plan, with modifications. In conjunction with this Opinion and Order, the Commission recognized an open issue with respect to sub-hourly metering. The Commission propounded a list of 8 questions with respect to the “need, ability, and cost for sub-hourly metering,” and asked the Parties to address these issues for residential, small commercial and industrial and large commercial and industrial customers. *Id.*

Two entities filed comments in response to these questions, Duquesne Light Company (“Duquesne,” “Duquesne Light” or “Company”) and EnerNOC, Inc., a non-party to this Docket. In accordance with the deadline set by the Commission in its May 11, 2010 Order, the Commission provided the opportunity to file reply comments to the

comments, due 15 days after initial comments. (Order at p. 32.) Duquesne Light hereby files limited Reply Comments to the statements made by EnerNOC in its filing.¹

II. Reply Comments

Prior to responding to the individual questions set forth by the Commission, EnerNOC made some general comments regarding sub-hourly metering. Specifically, EnerNOC stated that “[f]ailure to allow customers or their CSPs to download five-minute interval data every five (5) minutes will require them to install redundant “shadow meters” for PJM energy, PJM capacity and PA Act 129 programs. Failure to allow 1-minute interval data to be downloaded every one (1) minute will require CSPs to install redundant meters in order for customers to participate in PJM ancillary service programs.” EnerNOC comments, p. 8. Duquesne Light understands the concern raised and clarifies that any AMI solution that the Company implements will have the ability at the meter level to capture data at one-minute increments. This is a standard function of smart meters. The true issue is that very few Duquesne customers need or want sub-hourly data. It is not cost effective to Duquesne’s other customers to install a system to handle such data on a territory-wide basis. Thus, while Duquesne Light does not intend to provide this function system wide, as this is unnecessary for the reasons stated in Duquesne’s original comments filed on June 10, such as high cost and lack of customer interest, it will be able to provide such data, over time, to customers and would avoid the installation of shadow meters. Of course, many customers choose to have additional

¹ By filing these Reply Comments, Duquesne Light is not acknowledging EnerNOC, Inc. as a party to this proceeding, nor is Duquesne Light agreeing with EnerNOC’s requested Intervention since the date for intervention is long past. Duquesne Light’s reply to EnerNOC’s comments should not be considered as any waiver.

meters themselves on production processes in order to track consumption and demand internally.

1. What are the capabilities and limitations of proposed smart meters to measure and record sub-hourly usage?

EnerNOC leaves the impression that the cost of memory with respect to recording and measuring sub-hourly usage from a meter perspective is low. For on-board meter storage, this is correct. Meters available in the marketplace have memory available to store data for no real incremental cost. However, it is important for the Commission to understand that if there is an expectation that Duquesne Light would take this data from the meter and store it in its systems, there will be significant costs. As indicated in Duquesne Light's June 10 comments, the cost to EDCs to provide sub-hourly metering capability is substantially higher than the cost to transmit and store hourly usage information on a daily basis. That is due to the infrastructure – not the meter. If EnerNOC is stating that it wants to be able to access and download the sub-hourly data from the meter, then Duquesne Light is fine with this position. However, if EnerNOC is looking to Duquesne Light to transmit and store this sub-hourly data on its systems, this can be costly and should be paid for by the customer.

6. Is a pulse data recorder attached to the Companies' meter sufficiently accurate for use by PJM in ancillary markets, or is redundant metering required to meet PJM standards?

In response to this question, EnerNOC states that “[p]articipation in the regulation markets is unlikely to be feasible using EDC AMI because of the fast scan rate (~once every 5 second) required, compared to the probable latency in the EDC's AMI system.”

EnerNOC Comments, p. 11. Duquesne Light is unsure what EnerNOC means by this statement, and is unsure of whether EnerNOC is referring to Duquesne's system currently in place or the one that will be installed under the Smart Meter Procurement and Installation Plan ("SMPI"). However, Duquesne would like to make it clear that the smart meters that will be installed pursuant to its SMPI plan will be sufficient for use by customers in the ancillary market, and redundant metering should not be needed.

- 8. To the extent a customer requests sub-hourly data, what, if any cost recovery charge is appropriate. For example, would it be appropriate to have a customer charge that varies with the level of sub-hourly metering requested, and, if so, what would those sub-hourly metering charges be?**

EnerNOC has taken the position that a cost recovery charge for requested sub-hourly metering is inappropriate. EnerNOC comments, p. 13. The ability to provide sub-hourly data will create incremental costs for expanded communication capability, data storage, data processing and meter related costs for additional functionality. If sub-hourly data is required, expanded communication ability would be installed and would entail costs that should be recovered from the customers needing or wanting the capability. The charge could be through a fixed customer charge, as originally proposed by Duquesne Light, or through a charge based upon the scalability of the system and assigned to customers based upon how much data they need.

III. Conclusion

Duquesne Light appreciates the opportunity to comment on this matter. Duquesne Light would like to reiterate that it is filing its Cost-Benefit Analysis with the Commission on July 1, 2010, and additional information on these subjects can be found therein.

Respectfully Submitted,


David G. Wolfe, Director of Technology



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Dated: June 25, 2010