

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY  
Consumer Advocate

July 9, 2010

Rosemary Chiavetta  
Secretary  
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 Chiavetta:

Enclosed for filing is the Petition of the Office of Consumer Advocate for Reconsideration, in the above-referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "James A. Mullins".

James A. Mullins  
Assistant Consumer Advocate  
PA Attorney I.D. # 77066

Enclosures

cc: Honorable Wayne L. Weismandel  
Office of Special Assistants

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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PETITION OF THE OFFICE OF  
CONSUMER ADVOCATE FOR  
RECONSIDERATION

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The Office of Consumer Advocate (OCA) hereby submits this Petition for Reconsideration pursuant to Sections 5.41 and 5.572 of the Public Utility Commission's (Commission) regulations. 52 Pa. Code §§ 5.41, 5.572. The OCA requests that the Commission reconsider a provision of its Order entered June 24, 2010 in the above-captioned case regarding cost allocation of non-direct costs as it appears that the Commission overlooked the different nature of PPL Electric Utilities Corporation's (PPL or Company) Smart Meter Plan and surcharge proposal as compared to the proposals of other electric distribution companies (EDCs).

I. INTRODUCTION

On June 24, 2010, the Commission entered an Opinion and Order (Order) in the above-captioned consolidated proceeding. The Order addressed the "Petition of PPL Electric Utilities Corporation for Approval of a Smart Meter Technology Procurement and Installation Plan" filed by PPL on August 14, 2009. The OCA seeks reconsideration of the Commission's

decision to change the cost allocation of non-direct costs in PPL's Smart Meter surcharge even though no party had opposed PPL's proposal. In its Order, the Commission states that non-direct common costs should be assigned based on the ratio of number of meters assigned to the class, divided by the number of meters for the entire system. Reconsideration is necessary because the OCA submits that the Commission overlooked the fact that PPL's non-direct common costs are related to certain pilot programs, not to deployment of smart meters or smart meter infrastructure. Therefore, as proposed by PPL, these costs should be allocated on the ratio of direct pilot program costs assigned to the class, divided by direct costs for the entire system. Such treatment would be consistent with the proposal of PPL (to which no party excepted) and the Initial Decision (I.D.) of Administrative Law Judge Wayne L. Weismandel.

## II. RECONSIDERATION

As set forth in Duick v. Pennsylvania Gas and Water Co., 56 Pa.P.U.C. 553 (1985), the standards for granting a petition for reconsideration are as follows:

A petition for reconsideration, under the provisions of 66 Pa.C.S. § 703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part. In this regard we agree with the Court in the Pennsylvania Railroad Company case, wherein it was stated that “[p]arties ..., cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them ...” What we expect to see raised in such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission. Absent such matters being presented, we consider it unlikely that a party will succeed in persuading us that our initial decision on a matter or issue was either unwise or in error.

56 Pa.P.U.C. at 559 (quoting Pennsylvania R.R. Co. v. Pa. Pub. Util. Comm'n, 118 Pa. Super. 380, 179 A. 850 (1935)) (emphasis added).

In this Petition, the OCA raises points not previously heard or considered and which the Commission may have overlooked. The OCA seeks reconsideration of the Order as it relates to the Section entitled “Cost Allocation of Non-Direct Costs.” Order at 31. Specifically, this section of the Order directs PPL to change the method of allocation of non-direct common costs based on the number of meters. This change appears to be intended to apply to PPL the cost allocation method for common meter costs decided by the Commission in other smart meter proceedings.

The section of the Order in question is as follows:

In addition to the foregoing issue resolutions, the Commission notes that the ALJ approved the allocation of non-direct common costs on the ratio of direct costs assigned to the class, divided by direct costs for the entire system. No party addressed the issue in Exceptions, but the Commission disagrees with the ALJ's resolution of the issue. Non-direct common costs should be assigned based on the ratio of number of meters assigned to the class, divided by the number of meters for the entire system.

Order at 31. In his I.D., Administrative Law Judge Wayne L. Weismandel found that:

PPL's Plan adheres to the requirements of the Act by proposing to recover the direct costs of new smart meter programs directly from the customers who benefit from the applications, while all other non-direct common costs are assigned based on the ratio of direct costs assigned to the class, divided by direct costs for the entire system.

I.D. at 9. The Commission apparently overlooked the distinction between the non-direct common costs of PPL's Smart Meter Plan, as compared to the non-direct common costs of other Pennsylvania EDCs' smart meter programs. PPL's common costs are related to pilot programs, not smart meter deployment since PPL has already deployed its smart meters and those costs are already reflected in its base rates.

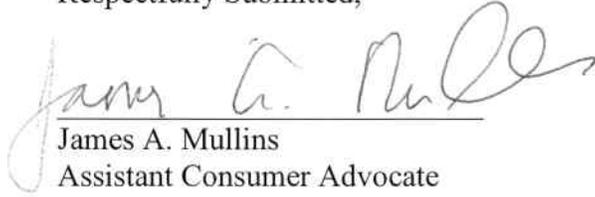
The OCA submits that, unlike other electric distribution companies (EDCs) in the Commonwealth, the non-direct common costs of PPL are comprised of annual incremental program management costs for pilot programs, not the costs for the deployment of smart meters and associated infrastructure. PPL has already installed its smart meters and associated infrastructure and is not seeking recovery of those costs in its surcharge since they are being recovered in PPL's base rates. In contrast, in the other EDC smart meter proceedings, the proposal under consideration related to the recovery of smart meter costs and associated infrastructure and the allocation of the common costs of this meter investment. Such is not the case here.

The PUC's determination that PPL's non-direct common costs should be assigned based on the ratio of number of meters assigned to the class, divided by the number of meters for the entire system appears to have overlooked the distinction between PPL's non-direct common costs and those of other EDCs. Consequently, the OCA files this Petition requesting that the Commission adopt PPL's proposal, which was unopposed in this proceeding, to allocate its non-direct common costs on the ratio of direct costs assigned to the class, divided by direct costs for the entire system. The OCA files this Petition for the Commission to reconsider its decision and adopt the unopposed proposal of PPL and the determination of ALJ Weismandel.

III. CONCLUSION

For these reasons, the OCA respectfully requests that the Commission reconsider its decision as set forth above.

Respectfully Submitted,



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Dated: July 9, 2010  
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CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, Petition of the Office of Consumer Advocate for Reconsideration, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 9<sup>th</sup> day of July 2010.

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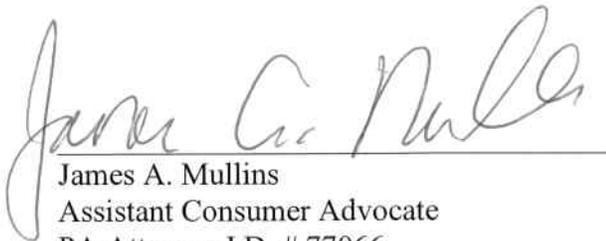
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