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May 25, 2011

VIA E-FILING

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

Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company,
and Pennsylvania Power Company for Approval of its Smart Meter Technology
Procurement and Installation Plan; Docket No. M-2009-2123950

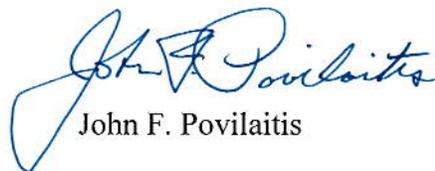
Petition of West Penn Power Company for Expedited Approval of its Smart Meter
Technology and Installation Plan; Docket No. M-2009-2123951

Dear Secretary Chiavetta:

Enclosed for electronic filing is the Request of Metropolitan Edison Company,
Pennsylvania Electric Company, Pennsylvania Power Company and The West Penn Power
Company ("Request") for an Extension of Their Smart Meter Deployment Plan Filing Deadline
with regard to the above-referenced proceedings. **Please note that establishment of a ten (10)
day response period to this filing is being requested.** Copies have been served as indicated on
the attached Certificate of Service.

Thank you for your attention to this matter.

Very truly yours,


John F. Povilaitis

JFP/kra
Enclosures
cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company for Approval of Smart Meter Technology Procurement and Installation Plan,	:	
	:	Docket No. M-2009-2123950
Petition of West Penn Power Company for Expedited Approval of its Smart Meter Technology and Installation Plan	:	
	:	Docket No. M-2009-2123951

REQUEST OF METROPOLITAN EDISON COMPANY, PENNSYLVANIA ELECTRIC COMPANY, PENNSYLVANIA POWER COMPANY AND THE WEST PENN POWER COMPANY FOR AN EXTENSION OF THEIR SMART METER DEPLOYMENT PLAN FILING DEADLINE

I. Introduction

The above captioned dockets represent the cases in which filings were made by Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company (collectively “PA Companies”) and by West Penn Power Company (“West Penn”) for approval of their respective Smart Meter Technology Procurement and Installation Plans (“SMIP”) pursuant to Act 129. The PA Companies indicated that they would submit a plan outlining the deployment of smart meters after a 24 month assessment period, which ends on or about June, 2012, while West Penn agreed to file a revised SMIP “no sooner than June 30, 2012,” but did not indicate a filing deadline. The PA Companies and West Penn (collectively, “FE Companies”), as a result of a merger between FirstEnergy Corp. (“FirstEnergy”) and Allegheny Energy, Inc. (“Allegheny”), intend to file a single deployment plan that outlines the deployment of smart meters to all

of the FE Companies' customers throughout the FirstEnergy Pennsylvania footprint. For reasons more fully discussed below, the PA Companies and West Penn respectfully ask the Commission to authorize an extension of their deployment plan filing deadline until December 31, 2012.¹

II. Background and History

On October 15, 2008, then Governor Edward G. Rendell signed House Bill 2200 into law as Act 129 of 2008 ("Act 129"). Among other things, Act 129 directed each electric distribution company ("EDC") with more than 100,000 customers to file a SMIP with the Pennsylvania Public Utility Commission ("Commission") by August 14, 2009. On June 24, 2009, the Commission entered an Implementation Order ("IO") in which it provided general guidance as to the information to be included in the Plan. On August 14, 2009, the PA Companies submitted their SMIP, which was approved with minor modifications in an Order entered on June 9, 2010 ("SMIP Order"). As part of their SMIP, the PA Companies presented both a short term and long term plan, indicating that they would use 24 months of the 30-month grace period provided for by the Commission in its IO to assess their needs, select the necessary technology, secure vendors, train personnel, install and test support equipment, and establish a detailed meter deployment schedule consistent with the statutory requirements, including a Deployment Plan for the period: (i) during the grace period; (ii) post grace period/pre-build out completion; and (iii) post build out.² This 24 month period was referred to as the Assessment Period. The PA Companies indicated that at the end of the Assessment Period they would submit to

¹ Although technically no permission is necessary for West Penn, it is included in this request because of its inclusion within the scope of the single deployment plan that is to be filed by the FE Companies.

² SMIP Order at 13-14.

the Commission a Smart Meter Deployment Plan that includes among other things: (i) a detailed long term timeline, with key milestones; (ii) a smart meter solution; (iii) the costs of such a solution, along with an assessment of benefits; (iv) a network design solution; (v) a communications architecture design solution; (vi) a training assessment and proposed curriculum; (vii) a cost recovery forecast; (viii) a transition plan including communication to employees and consumers; and (ix) a detailed, tiered roll-out plan.³

Subsequent to the filing of the PA Companies' SMIP Plan, FirstEnergy, the PA Companies' parent company, announced its intent to merge with Allegheny. Allegheny owned West Penn which submitted its own smart meter plan to the Commission on August 14, 2009 in Docket No. M-2009-2123951. Subsequent to making its filing, West Penn and interested parties, entered into an Amended Joint Petition for Settlement ("Joint Settlement") in which West Penn made several commitments that significantly changed its original SMIP filing. Among them was a commitment to decelerate its proposed deployment of smart meters and to submit a Revised SMIP (which is the equivalent of the PA Companies' Deployment Plan) no sooner than June 30, 2012.⁴ The Commission approved the Joint Settlement on June 30, 2011.

Upon completion of the merger between FirstEnergy and Allegheny, and approval of the Joint Settlement, the smart meter needs of West Penn and its customers, along with West Penn's commitments made through the Joint Settlement, were incorporated into the analyses and other work being done by the FirstEnergy Smart Meter Implementation Plan

³ SMIP Order at 6-7. Upon receiving the SMIP Order, the PA Companies commenced their Assessment Period which, based upon the PA Companies' representations, would make their Deployment Plan due in June 2012.

⁴ For a complete list of the commitments made by West Penn, see West Penn's 2011 SMIP Status Report, filed with the Commission on August 31, 2011 in Docket No. M-2009-2123951.

team (“SMIP Team”) – a core team comprised of FirstEnergy/Allegheny employees representing a variety of interests and skill sets, subject matter experts from the consulting firms of IBM, Inc. and Black & Veatch Corp., and various technology vendor representatives knowledgeable in areas involving key components and process designs of the core smart meter infrastructure solution.

The SMIP team was subdivided into eight substantive subgroups, or work streams: (i) Solution Framework; (ii) Current State; (iii) Vendor Strategy; (iv) Technology Evaluation and Test Lab; (v) Future State; (vi) Network Communications; (vii) External Communications and Consumer Awareness Strategies; and (viii) Change Management and Training, each of which originally focused on the PA Companies’ needs. The PA Companies included in their Status Report filed with the Commission on July 27, 2011 at Docket No. M-2009-2123950 an outline of the major tasks and timelines during which each of the tasks for each of the work streams was performed.

During the Assessment Period, the SMIP team reviewed numerous documents, including without limitation the Commission’s IO, the Commission’s Order approving the PA Companies’ SMIP Plan, Act 129, and the West Penn Power settlement documents and related Commission Orders, so as to ensure that the Deployment Plan complies with both Act 129 and Commission directives, as well as all FE Companies’ commitments. The SMIP Team also held stakeholder meetings, including several with those interested in data access and sub-hourly metering, and others with parties interested in low income and other vulnerable customer issues. The SMIP Team held discussions with FirstEnergy employees and management from all affected business groups, and with employees of other Pennsylvania EDCs who were responsible for those EDCs’ smart meter projects.

They participated in several utility site visits both within and outside of Pennsylvania, and held numerous discussions with out-of-state utilities that have smart meter programs in various forms and stages. All major system and equipment components were field tested and/or tested in the FirstEnergy smart meter test lab, where they were mixed and matched with other critical components and tested for compatibility and functionality.

As a result of this work, the SMIP Team has successfully assessed the needs of all FE Companies, developed a preliminary network design solution for the entire FirstEnergy Pennsylvania footprint, which includes a short list of potential vendors for each major system and component that is to be included in the solution, developed a preliminary communications architecture solution, identified training requirements and developed a general training and customer education program.

III. Need for the Extension

The Assessment Period granted by the Commission has allowed the FE Companies to identify the significant challenges surrounding the transition from the current systems to those needed to create a smart meter solution capable of meeting the requirements as set forth in both Act 129 and the Commission's IO. These challenges are both technological and process related. Technology vendors continue to enhance and update their smart meter solutions as technology evolves. As already discussed, the SMIP Team has compiled a short list of potential vendors and their respective technological solutions. While the SMIP Team was in the process of finalizing their Deployment Plan, however, several smart meter vendor finalists each independently indicated recently their intent to release improved smart meter system technology. Although the FE Companies recognize that technology will continue to evolve and that a

selection of the technology best suited to the needs of the FE Companies' customers must be made, this soon-to-be-released improved technology is expected to provide enhanced two-way communication capability and flexibility throughout the FirstEnergy Pennsylvania footprint, and will provide expanded interface capabilities with potential Smart Grid applications in the future. Given its imminent release, the SMIP Team feels compelled to assess the improved technology before making its final smart meter recommendations.

The technological improvements, originally expected to be available for testing in March, 2012, were delayed and will now be made available to the Companies within the next several weeks. Testing and analysis of the new capabilities will allow for validation of the potentially significant improvement in the overall smart meter infrastructure. However, in order to validate capabilities, the SMIP Team must test the improved technology first to ensure that it does in fact perform as advertised and, second, to determine whether it can properly interface with other significant systems and components selected as part of the overall smart meter infrastructure. The testing and validation at the FirstEnergy test lab is expected to take approximately 4 to 5 months to complete. At the end of the testing phase, the FE Companies will be in a position to recommend whether they should proceed with the improved technology or, instead, select the technology currently available in the marketplace.

Rather than submit a Deployment Plan without a definitive recommendation on a critical component in the smart meter infrastructure, the FE Companies respectfully ask the Commission for permission to submit their Deployment Plan no later than December 31, 2012, which will still be within their 30 month grace period. As more fully discussed

below, based upon information available today, the granting of this request should not adversely affect the ultimate time line for deployment that will be recommended by the FE Companies or the cost thereof, and should save time and resources for all involved.

Granting this extension provides the FE Companies with the opportunity to present a Deployment Plan that incorporates the most current (and anticipated to be improved) smart meter technology available. This would be in the best interest of customers, given the amount of work performed over the past two years and the projected magnitude of the costs to complete this project, especially since the FE Companies expect the overall cost of this portion of the project to remain relatively stable whether the FE Companies select the current or the improved technology. Furthermore, the granting of the FE Companies' request is not expected to delay post grace period activities or the ultimate project completion date. The processes and procedures necessary to provide smart meters for new construction and upon customer request starting January 1, 2013 (post grace period) as required by the IO are developed. The FE Companies intend to follow those procedures whether they submit their Deployment Plan as currently scheduled, or later this year. Similarly, there are a number of readiness preparation tasks that must be completed by the SMIP Team during the last six months of the grace period. These tasks will go forward as planned, regardless of the date on which the Deployment Plan is filed. Assuming the extension is granted, they will simply go forward pre-filing, rather than during the originally contemplated post-filing period. Based upon the work performed and information as known today, preliminary results anticipate completion of deployment of smart meters to approximately 98% of all FirstEnergy Pennsylvania customers several years before 2022 – the completion date originally included in the PA

Companies' SMIP.⁵ The FE Companies do not anticipate any adverse effect on this timeline should their request for extension be granted.

Further, the granting of the extension should save time and resources for the Commission and all interested parties by allowing the FE Companies to present a more definitive Deployment Plan that includes a selected technology with the most current available cost estimates, thus avoiding the potential need for supplemental testimony, amendments to the Deployment Plan and additional discovery, testimony and hearings on this additional information once the testing of the new technology is completed. Moreover, this request is consistent with the West Penn Joint Settlement provision that precludes West Penn from filing its Revised SMIP before June 30, 2012.

IV. Request for an Expedited Ruling

Counsel for the FE Companies met with all parties of record in the above captioned cases, explaining their need for this request. The Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, the Office of Small Business Advocate, the Met-Ed Industrial Users Group, the Penelec Industrial Customer Alliance, the Penn Power Users Group, the West Penn Power Industrial Intervenors, PCOC, the Pennsylvania Department of Environmental Protection, Constellation NewEnergy, Inc. and Constellation Energy Commodities Group, Inc., who are the Parties to the PA Companies and West Penn SMIP proceedings, have all been contacted regarding their position on this Request for an extension of the smart meter Deployment Plan filing. None of these Parties object to the Request. In light of this lack of opposition, the FE Companies ask that the period for commenting on this request be

⁵ The remaining two percent represent accounts, such as hunting cabins, located in remote areas. The FE Companies expect to provide smart meters to these accounts no later than 2022 and, if communication technology improves, perhaps sooner.

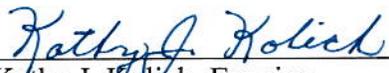
shortened to ten days from the date of filing and that the Commission issue a Secretarial Letter no later than June 8, 2012 granting this request in consideration of the current impending due date for the Deployment Plan.

V. Conclusion

Throughout the period since the passage of Act 129, the FE Companies have strived to develop a smart meter solution that is cost effective and provides the greatest functionality for the money spent. Given the fact that a release of improved smart meter technology is imminent without any anticipated significant price increases, it is prudent to grant the FE Companies' request for the extension of their Assessment Period through the end of 2012 so as to allow them to test this technology -- especially when coupled with: (i) the amount of work already performed and the magnitude of the costs projected to be spent to complete this project; (ii) the relatively short time frame needed to assess this improved technology; (iii) the belief that the implementation schedule should not be significantly affected by the granting of the extension; (iv) the increased certainty of smart meter pricing; and (v) the judicial economies. Accordingly, the FE Companies respectfully ask that the Commission authorize the extension of their Deployment Plan filing deadline through December 31, 2012 so as to allow them to utilize the remaining six months of the grace period to complete the assessment process and provide the

Commission with a more complete Deployment Plan, after providing interested parties an opportunity to comment on this request within ten days of its filing.

Respectfully submitted,


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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document in accordance with the requirements of 52 Pa. Code § 1.54 et seq. (relating to service by a participant).

VIA FIRST CLASS AND ELECTRONIC MAIL

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Date: May 25, 2012



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