

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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February 15, 2013

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

RE: Petition of Pennsylvania Electric Company
for Approval of their Smart Meter
Deployment Plan
Docket No. M-2013-2341994

Secretary Chiavetta:

Enclosed for filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above referenced proceeding.

Copies have been served as shown on the Certificate of Service.

Respectfully Submitted,

Candis A Tunilo

Candis A. Tunilo
Assistant Consumer Advocate
PA Attorney I.D. # 89891

Enclosures

cc: Honorable Elizabeth H. Barnes
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Pennsylvania Electric Company : Docket No. M-2013-2341994
For Approval of their Smart Meter :
Deployment Plan :

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. § 333, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On December 31, 2012, Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn) (collectively the FirstEnergy Companies) filed a Joint Petition for Approval of their Smart Meter Deployment Plan with the Public Utility Commission (Commission). The Joint Petition seeks: (1) a finding that the Deployment Plan satisfies the requirements of Act 129, 66 Pa. C.S. § 2807(f)(1)-(f)(3) and the Commission's June 24, 2009 Implementation Order at Docket No. M-2009-2092655; (2) approval of the Companies' proposed procurement and deployment of approximately 2.1 million smart meters, over 98% of which will be installed by the end of 2019; (3) authorization for the Companies to continue to recover smart meter costs through their Smart Meter Technologies Riders, including an

additional \$5.1 million for previous West Penn expenditures; and (4) authorization for the Companies to create a regulatory asset for their meter stock that will be replaced by smart meters (Legacy Meters).

On February 8, 2013, the OCA filed its Comments and Answer to the Companies' Petition pursuant with the Notice published in the *Pennsylvania Bulletin* on January 19, 2013. 43 Pa. B. 419-20. The matter has been referred to the Office of Administrative Law Judge and further assigned to Administrative Law Judge Elizabeth H. Barnes (ALJ). A Prehearing Conference has been set for February 19, 2013. The OCA submits this Prehearing Conference Memorandum in accordance with the ALJ's Prehearing Conference Order entered January 30, 2013.

II. ISSUES AND SUB-ISSUES

Based upon a preliminary analysis of the Companies' filing, the OCA has compiled a list of issues, which it anticipates will be included in its investigation of the Companies' Plan. It is anticipated that issues in addition to those enumerated below may arise and may be pursued once the answers to the OCA's interrogatories have been received and analyzed. The OCA reserves the opportunity to present any new or unanticipated issues at such time.

At this time the OCA has identified the following issues as requiring further review and analysis: (1) whether the Plan complies with Act 129 and the Commission's Implementation Order entered June 24, 2009 at Docket No. M-2009-2092655; (2) whether the total proposed costs and cost recovery are reasonable; and (3) whether the privacy of customer information will be adequately maintained. The OCA will also investigate the Companies' technology selection, implementation and security of the Companies' smart meter systems. Additionally, the OCA will review the Companies' proposed customer education plan.

III. WITNESSES

The OCA has retained three experts to assist with its analysis of the Plan. They are: Mr. Rick Hornby, Ms. Nancy Brockway and Mr. David J. Efron. Mr. Hornby is with the firm Synapse Energy Economics, Inc., and will be responsible for reviewing matters related to technology selection, deployment, smart meter capabilities, system security, Plan costs, benefits and cost recovery. Ms. Brockway is an independent consultant who will be responsible for reviewing matters related to customer privacy and customer education. Mr. Efron is with the firm Berkshire Consulting Services and will be responsible for matters related to the Legacy Meters.

The contact information for the OCA's experts is as follows:

Mr. Rick Hornby
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485 Massachusetts Ave., Suite 2
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Mr. David J. Efron
Berkshire Consulting Services
12 Pond Path
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Email: djeffron@aol.com

The OCA reserves the right to call additional witnesses, as necessary. If the OCA determines that an additional witness or witnesses will be necessary for any portion of its case, the OCA will promptly notify all parties and the ALJ.

IV. SERVICE ON THE OCA

The OCA will be represented in this proceeding by Assistant Consumer Advocates Candis A. Tunilo and Christy M. Appleby. Service of all documents should be made as follows:

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V. DISCOVERY

To date, the OCA has served four sets of interrogatories on the Companies. The Companies are in the process of responding to those requests. The OCA proposes the following modifications to the discovery rules:

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.
2. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.
4. Answers to motions to dismiss objections and/or answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
5. Ruling over such motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion.

6. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
7. Answers to on-the-record data requests shall be served in-hand within seven (7) calendar days of the requests.
8. The OCA proposes that any discovery served after 12 noon on a Friday will be deemed to have been served on the following business day for purposes of tracking due dates.
9. The OCA proposes that all discovery due dates be “in-hand” and that electronic or fax service on the due date will satisfy the “in-hand” requirement, where such service is immediately followed by a hard copy sent by first-class mail.

VI. PROCEDURAL SCHEDULE

The Companies proposed a litigation schedule in their Petition. The ALJ proposed a litigation schedule in her Prehearing Conference Order entered January 30, 2013. The OCA is working with the Companies and other parties to arrive at a mutually acceptable schedule to present to the ALJ at the Prehearing Conference. The OCA notes that its witness Rick Hornby is not available for hearings from May 12, 2013 through May 26, 2013.

The OCA proposes the following litigation schedule for consideration:

Intervenor Direct Testimony	April 1, 2013
Rebuttal Testimony	April 22, 2013
Surrebuttal Testimony	May 6, 2013
Hearings/Oral Rejoinder	May 8-10, 2013
Main Briefs	May 24, 2013
Reply Briefs	June 3, 2013

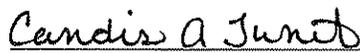
VII. PUBLIC INPUT HEARINGS

The OCA is not aware of any specific consumer requests for public input hearings in this matter to date. If the OCA becomes aware of substantial consumer interest, however, the OCA will promptly notify the ALJ and parties to request a public input hearing.

VIII. SETTLEMENT

The OCA is willing to engage in settlement discussions with the Companies and other parties.

Respectfully Submitted,



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Date: February 15, 2013
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CERTIFICATE OF SERVICE

Re: Petition of Pennsylvania Electric Company for Approval of their Smart Meter
Deployment Plan
Docket No. M-2013-2341994

I hereby certify that I have this day served a true copy of the foregoing, the Office of Consumer Advocate's Prehearing Memorandum, 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 15th day of February 2013.

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