

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560

FAX (717) 783-7152
consumer@paoca.org

March 12, 2014

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

RE: Petition of PECO Energy Company for
Approval of its Smart Meter Universal
Deployment Plan
Docket No. M-2009-2123944

Dear Secretary Chiavetta:

On March 6, 2014, PECO Energy Company (PECO or Company) filed a letter with the Pennsylvania Public Utility Commission regarding the Company's ongoing smart meter implementation and cost recovery. Specifically, the March 6 filing provides a framework for crediting customers with the value achieved through a settlement with Sensus USA, Inc. (Sensus) for reimbursement of costs incurred by PECO. The Office of Consumer Advocate has reviewed the Company's March 6 filing and supports the Company's proposal on this issue.

On August 15, 2013, the Commission approved a Settlement, joined by the OCA, resolving all issues regarding the Company's Phase Two Smart Meter Technology Procurement and Installation Plan. Paragraph 16 of the approved Smart Meter Phase II Settlement stated that the "Settlement of the Universal Deployment Plan in no way limits the parties from challenging future cost recovery relating to the AMI meter overheating events of 2012."

In its March 6 filing, the Company states that the unrecovered net costs of \$17 million incurred as a result of these overheating events will not be recovered from residential customers, and that an approximately \$16 million credit against the original cost of recoverable Smart Meter plant investment will be applied in its next update of its Smart Meter Cost Recovery Surcharge.

Page 2

The OCA commends PECO for its work in ensuring reasonable treatment for the costs of these events. The OCA submits that the Company's ratemaking treatment of costs associated with the meter overheating events is reasonable.

Respectfully Submitted,



Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625

Enclosures

cc: Certificate of Service
00180404.doc

CERTIFICATE OF SERVICE

Petition of PECO Energy Company :
for Approval of Its Smart Meter : Docket No. M-2009-2123944
Universal Deployment Plan :

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

Dated this 12th day March 2014.

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

Romulo L Diaz, Jr., Esq.
Anthony E. Gay, Esq.
W. Craig Williams, Esq.
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

Thomas P. Gadsden, Esq.
Anthony C. DeCusatis, Esq.
Brooke E. MGlinn
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921

Charis Mincavage, Esq.
Adeolu E. Bakare, Esq.
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Elizabeth Rose Triscari, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

Daniel Clearfield, Esq.
Deanne O'Dell, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Floor
Harrisburg, PA 17101

Scott H. DeBroff, Esq.
Alicia R. Duke, Esq.
Rhoads & Sinon LLP
One South Market Square
P.O. Box 1146
Harrisburg, PA 17108-1146



Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. #86625
Email: ABeatty@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
180408