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August 8, 2014

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

VIA ELECTRONIC FILING

RE: Petition of PPL Electric Utilities Corporation for Approval of Its Smart Meter Technology Procurement and Installation Plan; Docket No. M-2014-2430781

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of the PP&L Industrial Customer Alliance ("PPLICA") concerning the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'A. Bakare', written over a horizontal line.

Adeolu A. Bakare

Counsel to the PP&L Industrial Customer Alliance

Enclosures

c: Administrative Law Judge Susan D. Colwell (via Email and First-Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST-CLASS MAIL

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Adeolu A. Bakare
Counsel to the PP&L Industrial Customer Alliance

Dated this 8th day of August, 2014, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
for Approval of its Smart Meter Technology : Docket No. M-2014-2430781
Procurement and Installation Plan :

**PREHEARING MEMORANDUM OF
THE PP&L INDUSTRIAL CUSTOMER ALLIANCE**

As requested by Administrative Law Judge ("ALJ") Susan D. Colwell in the Prehearing Order dated July 8, 2014, the PP&L Industrial Customer Alliance ("PPLICA") hereby submits this Prehearing Memorandum.

I. HISTORY OF THE PROCEEDING

On August 14, 2009, consistent with the requirements of Act 129 and the Pennsylvania Public Utility Commission's ("Commission" or "PUC") Smart Meter Implementation Order ("Implementation Order") entered on June 24, 2009, at Docket No. M-2009-2092655, PPL Electric Utilities Corporation ("PPL" or "Company") filed its initial Smart Meter Technology Procurement and Installation Plan ("Initial SMPI Plan") with the Commission. On June 24, 2010, the Commission entered an Opinion and Order, which found, *inter alia*, that PPL's existing metering system did not provide customers with direct access to customer usage data. As a result, the Commission directed PPL to provide metered usage data from the meter to customers to support the automatic control of electricity consumption, and directed PPL to develop a SMPI Plan to fully comply with Act 129. On August 2, 2012, the Commission authorized PPL to file a SMPI Plan by June 30, 2014.

On June 30, 2014, PPL petitioned the Commission for approval of its Smart Meter Technology Procurement and Installation Plan ("SMPI Plan" or "Petition"). Through the SMPI

Plan, PPL proposes to begin implementing the technology necessary for smart meters in 2015, with full smart meter deployment from 2017 to 2019. Specifically, PPL proposes to replace its existing power line carrier metering system with a Radio Frequency Mesh metering system to fully comply with the requirements of Act 129 and Implementation Order.

PPL estimates its total costs to be approximately \$449.3 million, and proposes to recover these costs through the Smart Meter Rider ("SMR") as a per-customer charge for all Residential, Small Commercial and Industrial ("C&I") and Large C&I customers.

Concurrently with the filing of this Prehearing Memorandum, PPLICA is filing a Petition to Intervene and Protest in this proceeding. A description of PPLICA is set forth in Paragraph 1 of PPLICA's Petition to Intervene and Protest. PPLICA's Petition to Intervene and Protest is outstanding and awaits disposition by the ALJ.

II. ANTICIPATED ISSUES AND SUB-ISSUES

PPLICA members are concerned with issues regarding PPL's SMPI Plan costs, proposed allocation of those costs and the Company's proposed cost recovery mechanism. Specifically, PPLICA does not oppose PPL's proposed cost allocation methodology, but will monitor this proceeding and address any alternative cost allocation proposals that may materialize. Additionally, PPLICA will address PPL's obligation to protect customer privacy in this proceeding. PPLICA anticipates pursuing these issues during this proceeding and reserves the right to raise further issues as necessary and appropriate during the course of this proceeding and to respond to issues raised by other parties.

III. PROPOSED WITNESSES

PPLICA is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event that PPLICA decides to sponsor testimony, it will immediately inform

the parties and the ALJ of any intended witnesses and topics of testimony. PPLICA also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions and reply exceptions, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

PPLICA is agreeable to the procedural schedule set forth in the ALJ's Prehearing Order. In addition, PPLICA will defer to the parties at the Prehearing Conference regarding the amount of hearing time needed. PPLICA will also cooperate with the ALJ and the parties at the Prehearing Conference to develop appropriate discovery rules in accordance with the Commission's regulations and any additional directives issued by the ALJ.

V. SETTLEMENT

PPLICA is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: August 8, 2014