

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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August 8, 2014

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 Its Smart Meter
Technology Procurement and Installation
Plan
Docket No. M-2014-2430781

Dear Secretary Chiavetta:

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

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Christy M. Appleby".

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824

Enclosures

cc: Honorable Susan D. Colwell, ALJ
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation	:		
For Approval of its Smart Meter Technology	:	Docket Nos.	M-2014-2430781
Procurement and Installation Plan	:		M-2009-2123945

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

Pursuant to the requirements of Act 129 and the Implementation Order, PPL filed its initial Smart Meter Plan in August of 2009. PPL's initial Smart Meter Plan did not include a full-scale deployment of new meters since PPL had installed a new advanced metering system and Meter Data Management System between 2002 and 2005. The Company's Plan consisted of a series of pilot programs to test the capabilities of its new system against the requirements of Act 129. The Commission approved the Company's initial Smart Meter Plan on June 24, 2010, but determined that, as PPL's existing meter system did not fully provide certain Act 129 functionalities, the Company should identify, test, develop and implement cost-effective ways to directly provide metered usage data to customers. The Commission stated that PPL should use its 30-month grace period to implement pilot programs to develop a plan to fully comply with Act 129. Since that time, the Company implemented pilot programs approved by the

Commission to evaluate the use of its existing meter system to meet the Act 129 requirements. The Company made annual updates with the Commission and met with interested stakeholders about the pilot programs. Petition at 1-4, 6-7.

On May 24, 2012, the Company filed a request to extend its grace period from December 2012 to December 2014 to allow additional time for the Company to file a Plan that fully complies with Act 129 requirements. On August 2, 2012, the Commission issued an Order authorizing the Company to file a Plan on or before June 30, 2014. Petition at 7-8.

On June 30, 2014, the Company filed its Smart Meter Technology Procurement and Installation Plan (Plan). The Petition was published in the Pennsylvania Bulletin on July 12, 2014 with Answers to the Petition due on August 11, 2014. On July 21, 2014, the Office of Consumer Advocate (OCA) filed its Answer and Notice of Intervention and Public Statement. On August 6, 2014, the Office of Small Business Advocate (OSBA) filed its Answer, Notice of Intervention and Public Statement.

The matter has been referred to the Office of Administrative Law Judge and further assigned to Administrative Law Judge Susan D. Colwell. A Prehearing Conference has been set for August 11, 2014. The OCA submits this Prehearing Conference Memorandum in accordance with the ALJ's First Prehearing Order entered July 8, 2014.

II. ISSUES AND SUB-ISSUES

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

Compliance with Act 129 and the Commission's Implementation Order: The OCA submits that a review of the Final Plan is necessary to determine whether the Final Plan complies with the requirements of Act 129, the Implementation Order, other applicable Commission Orders and the Public Utility Code and does so in the most reasonable, cost-effective manner.

Technology Selection and Implementation: The OCA intends to review the Company's selected technologies and meter functionalities to determine whether the technical elements of the Final Plan, including whether PPL's technology and functionality choices, vendor selections, and IT integration activities represent prudent and cost-effective actions or plans or action for which recovery of costs is warranted.

Existing Meters: The OCA intends to review whether the Company's existing smart meters should be replaced on the schedule proposed; the Company's claims regarding that the existing AMI communications hardware is reaching the end of its useful life; the Company's proposed ratemaking treatment of its existing smart meters; the Company's proposal to install its existing smart meters for new customers and in new construction properties during the pendency of the smart meter deployment; and the Company's proposed cost recovery for its existing smart meters.

Total Costs and Cost Recovery: The Company's projected costs and cost recovery proposals should be analyzed to determine whether PPL's anticipated total project cost of \$449.3 million is reasonable. The OCA will also review the Company's anticipated savings, the proposal to depreciate the existing meters, cost recovery period, and the proposed design change of its smart meter charge.

Privacy of Customer Information: The Final Plan will need to be evaluated to determine whether appropriate systems and protocols are in place to protect the privacy of customer information obtained by PPL through smart meters.

Security of the Smart Meter Systems: The Final Plan must be reviewed to assure that adequate protocols and measures are in place to provide the necessary security.

Customer Education: The Company's proposal regarding its Communication Plan needs to be reviewed to ensure that it is reasonable, practical and an effective method of proposing to educate customers about Smart Meters.

Remote Connect/Disconnect: The Company's proposal to implement remote connect/disconnections for customers should be reviewed to ensure that it meets the requirements of Chapter 14 and Chapter 56 of the Public Utility Code and other applicable Commission Orders.

III. WITNESSES

The OCA has retained three experts to assist with its analysis of the Smart Meter Deployment Plan. Mr. Thomas S. Catlin and Ms. Christina R. Mudd are with the firm of Exeter Associates, 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.

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

Thomas S. Catlin
Christina R. Mudd
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10480 Little Patuxent Parkway
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Columbia, MD 21044
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Boston, MA 02131
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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 Christy M. Appleby, Amy Hirakis, and Hobart J. Webster. Service of all documents should be made as follows:

Christy M. Appleby
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Office of Consumer Advocate
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hwebster@paoca.org

V. DISCOVERY

To date, the OCA has not served any discovery on the Company. The OCA proposes the following modifications to the discovery rules:

1. Answers to written interrogatories shall be served in-hand within then (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 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. 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, the OCA will promptly notify the ALJ and parties to request a public input hearing.

VII. SETTLEMENT

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

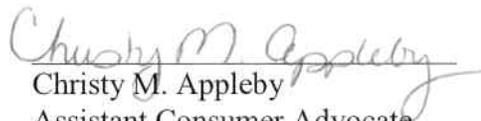
VIII. PROCEDURAL SCHEDULE

The Company proposed an expedited litigation schedule in its Petition. The ALJ proposed a litigation schedule in her Prehearing Conference Order entered July 8, 2014. The OCA submits that an expedited schedule is not necessary for this proceeding. There are complex issues to be resolved through this case that should not be compressed into an abbreviated litigation schedule.

The OCA proposes the following litigation schedule for consideration:

Other Parties Direct Testimony	October 22, 2014
Rebuttal Testimony	November 20, 2014
Surrebuttal Testimony	December 8, 2014
Written Rejoinder	December 11, 2014
Evidentiary Hearings	December 16-18, 2014
Main Brief	January 12, 2015
Reply Brief	February 2, 2015

Respectfully Submitted,



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DATE: August 8, 2014

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CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, 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 8th day of August 2014.

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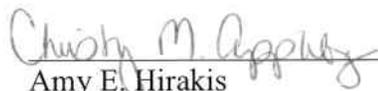
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