

Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
Tel: 215.963.5000  
Fax: 215.963.5001  
www.morganlewis.com

**Morgan Lewis**  
C O U N S E L O R S   A T   L A W

Anthony C. DeCusatis  
Of Counsel  
215.963.5034  
adecusatis@morganlewis.com

October 10, 2014

**VIA eFILING, ELECTRONIC MAIL  
AND FIRST CLASS MAIL**

Honorable Dennis J. Buckley  
Administrative Law Judge  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105

Honorable Katrina Dunderdale  
Administrative Law Judge  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
Pittsburgh District Office  
Piatt Place  
301 5th Avenue, Suite 220  
Pittsburgh, PA 15222

**Re: Pa. P.U.C. v. Metropolitan Edison Company  
Docket Nos. R-2014-2428745 and M-2013-2341990**

**Pa. P.U.C. v. Pennsylvania Electric Company  
Docket Nos. R-2014-2428743 and M-2013-2341994**

**Pa. P.U.C. v. Pennsylvania Power Company  
Docket Nos. R-2014-2428744 and M-2013-2341993**

**Pa. P.U.C. v. West Penn Power Company  
Docket Nos. R-2014-2428742 and M-2013-2341991**

Dear Judge Buckley and Judge Dunderdale:

At the Prehearing Conference held on October 8, 2014, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company (individually, the “Company,” and two or more, collectively, the “Companies”) were asked to identify authority to request, as part of their pending distribution base rate cases, the “roll in” to base rate revenue requirement of their test period smart meter costs and to reduce their Smart Meter Technologies Charge (“SMT-C”) to zero at the conclusion of this case. This authority is provided by Section 2807(f) of the Public Utility Code, 66 Pa.C.S. § 2807(f), as the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) affirmed in its Opinion and Order

Almaty Beijing Boston Brussels Chicago Dallas Dubai Frankfurt Harrisburg Houston Irvine London Los Angeles Miami  
Moscow New York Palo Alto Paris Philadelphia Pittsburgh Princeton San Francisco Tokyo Washington Wilmington

entered August 3, 2010 in *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company for Approval of Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2009-2123950 (the “August 3, 2010 Order”). A copy of the August 3, 2010 Order is attached as Appendix A.

In the August 3, 2010 Order, the Commission granted the Companies’ Petition for Reconsideration, which was supported by the Office of Consumer Advocate (“OCA”) in its Answer to that Petition. Copies of the Petition for Reconsideration and the OCA’s Answer are attached as Appendices B and C, respectively. In its August 3, 2010 Order, the Commission acknowledged that there is statutory authority for an electric distribution company to recover smart meter plan costs in base rates, stating as follows:

Section 2807(f)(7) of the Code, 66 Pa. C.S. § 2807(f)(7), states that an electric distribution company (EDC) may recover its smart meter plan costs

- (i) through base rates, including a deferral for future base rate recovery of current basis with carrying charge as determined by the commission, or
- (ii) on a full and current basis through a reconcilable automatic adjustment clause under section 1307.

August 3, 2010 Order, p. 4.

In light of the express authorization provided by Section 2807(f), the Commission determined that it should reconsider and revise the Order it had issued on June 24, 2010 at Docket No. M-2009-2123950. Thus, in the operative portion of the August 3, 2010 Order, the Commission concluded as follows:

According to their Plan, the Companies will recover their smart meter costs through a reconcilable adjustment clause. The Companies contend that, in the future, it may appear desirable to “roll existing smart meter costs into base rates” while “continuing to recover new smart meter costs through a reconcilable automatic adjustment clause.” *Id.* at ¶ 10. They argue that the Commission should not foreclose that possibility at this time.

Importantly, the Companies are **not** asking the Commission to rule, at this time, that they will be allowed to roll smart meter costs into base rates in the future. Rather, the Companies are simply seeking to have the Commission reserve judgment on that issue and not

Honorable Dennis J. Buckley  
Honorable Katrina Dunderdale  
October 10, 2014  
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address it unless and until the Companies present a roll-in request in the context of a future distribution base rate filing.

*Id.* at ¶ 7 (emphasis in original). Therefore, the Companies ask that the above-quoted language from page 21, and its companion language in Ordering Paragraph 12, be deleted from the *June 2010 Order*.

The OCA supports the relief requested in the Petition. “The OCA agrees that the potential roll-in of the smart meter charges to base rates should not be precluded nor addressed until there is a proposal presented.” OCA Answer at 1-2.

It was the Commission’s intention when including this language in the *June 2010 Order* to prohibit the Companies from double recovering smart meter costs; we did not intend to address rate-making issues. Therefore, we will grant the requested relief, in part. We are persuaded that the *June 2010 Order* should not include an advisory opinion on an EDC’s ability to roll smart meter costs into base rates in a future base rate proceeding. That issue should be left for consideration in an appropriate future case.

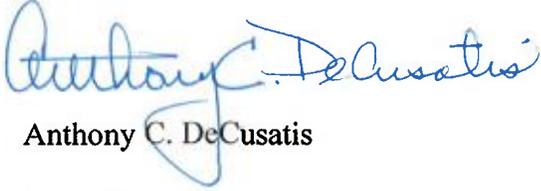
Nevertheless, we believe it is unnecessary to delete the entire paragraph from Page 21, or all of Ordering Paragraph 12. In fact, we believe it is important to preserve a portion of those provisions as a reminder to all EDCs that the Commission will review and audit the costs of smart meter plans. We will, therefore, only remove the statement that smart meter plan costs “will not be included in the revenue requirement used in future distribution base rate cases.” While we agree with the Companies that this language should be removed, we wish to reiterate the point that we attempted to make in the *June 2010 Order*, that should the Companies seek, and the Commission allow, smart meter costs to be rolled into base rates, the smart meter recovery surcharge should be reset to reflect the amount included in base rates so that the Companies are not recovering the same costs both through base rates and the surcharge.

August 3, 2010 Order, pp. 4-6.

Honorable Dennis J. Buckley  
Honorable Katrina Dunderdale  
October 10, 2014  
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Therefore, for the reasons set forth above, Section 2807(f)(7) of the Public Utility Code, 66 Pa.C.S. § 2807(f), and the August 3, 2010 Order provide the requisite authority to request the roll-in to base rates of smart meter costs in this case, as that proposal is set forth in the Companies' Statement No. 1, pages 6-7, and Statement No. 7, pages 8-11.

Very truly yours,



Anthony C. DeCusatis

ACD/tp

c: Per Attached Certificate of Service  
Rosemary Chiavetta, Secretary

# **APPENDIX A**

**August 3, 2010 Order**

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held July 29, 2010

**Commissioners Present:**

James H. Cawley, Chairman  
Tyrone J. Christy, Vice Chairman  
John F. Coleman, Jr.  
Wayne E. Gardner  
Robert F. Powelson

M-2009-2123950

Joint Petition of Metropolitan Edison  
Company, Pennsylvania Electric Company  
and Pennsylvania Power Company for  
Approval of Smart Meter Technology  
Procurement and Installation Plan

**OPINION AND ORDER**

**BY THE COMMISSION:**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition for Reconsideration (Petition), filed by Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company (collectively, FirstEnergy or the Companies), on June 24, 2010, seeking reconsideration of the Opinion and Order entered June 9, 2010 (*June 2010 Order*), relative to the above-captioned proceedings.

**Procedural History**

The *June 2010 Order* discussed the procedural history of this case in detail. As a result, an abbreviated procedural history will be presented here.

On August 14, 2009, the Companies filed a Joint Petition (Petition) for Approval of Smart Meter Technology Procurement and Installation Plan (Plan). Each Company proposed recovering the costs of its Plan through a reconcilable automatic adjustment clause. The Petition asked the Commission to approve the Plan and authorize the implementation of the proposed cost recovery mechanism.

A pre-hearing conference was held on September 29, 2009; a technical conference was held on October 20, 2009; and an evidentiary hearing was held on November 19, 2009. Administrative Law Judge (ALJ) Susan D. Colwell's Initial Decision was issued by the Commission on January 28, 2010. The ALJ approved the Companies' Plan, but ordered certain modifications therein. Exceptions and Reply Exceptions were filed.

The *June 2010 Order* adopted the ALJ's Initial Decision, with modifications. On June 24, 2010, the Companies filed the Petition. The Office of Consumer Advocate (OCA) filed an Answer to the Petition on July 6, 2010. By Secretarial Letter dated July 7, 2010, the Commission granted reconsideration, pending review of and consideration on the merits.

### **Discussion**

We note that any issue we do not specifically address herein has been duly considered and will be denied without further discussion. It is well settled that we are not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corporation v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *also see, generally, University of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

The Public Utility Code (Code) establishes a party's right to seek relief following the issuance of our final decisions pursuant to Subsections 703(f) and (g), 66 Pa. C.S. § 703(f) and § 703(g), relating to rehearings, as well as the rescission and amendment of orders. Such requests for relief must be consistent with Section 5.572 of our Regulations, 52 Pa. Code § 5.572, relating to petitions for relief following the issuance of a final decision. The standards for granting a Petition for Reconsideration were set forth in *Duick v. Pennsylvania Gas and Water Company*, 1982 Pa. PUC LEXIS 4 at \*12-13 (case citations omitted):

2. A petition seeking reopening of the record (more properly one for rehearing) may be entertained as a petition for reconsideration, under the provisions of 66 Pa. C.S. § 703(g), if the newly discovered evidence, was not in existence, or was not discoverable through the exercise of due diligence, prior to the expiration of the time within which to file a petition for rehearing, under the provisions of 66 Pa. C.S. § 703(f).

3. A petition for reconsideration, under the provisions of 66 Pa. C.S. § 703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code to rescind or amend a prior order in whole or in part. In this regard we agree with the court in the *Pennsylvania Railroad Company* case, wherein it was stated that “[p]arties . . . , cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically decided against them . . . .” What we expect to see raised in such petitions are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission. . . .

The Companies seek reconsideration of a small portion of the *June 2010 Order*. Specifically, the Companies seek reconsideration of the second paragraph on page 21 of the *June 2010 Order*, which states:

Although no Party addressed this point, we begin by noting that all Plan costs, including both expense and capital items (net of tax) and revenues included in the Companies' smart meter revenues, will not be included in the revenue requirement used in future distribution base rate cases and will be subject to Commission review and audit.

The Companies also seek reconsideration of Ordering Paragraph 12, which contains virtually identical language. Petition at 2 and 3.

The Companies argue that the *Duick* standards are met here because the *June 2010 Order* itself noted that the issue was not previously discussed by the Parties. Thus, the Companies' arguments on this issue are new, novel, and have not been previously heard and addressed by this Commission.

We agree. We find the *Duick* standards are met and we will, therefore, address the merits of the Companies' Petition.

Section 2807(f)(7) of the Code, 66 Pa. C.S. § 2807(f)(7), states that an electric distribution company (EDC) may recover its smart meter plan costs

- (i) through base rates, including a deferral for future base rate recovery of current basis with carrying charge as determined by the commission, or
- (ii) on a full and current basis through a reconcilable automatic adjustment clause under section 1307.

According to their Plan, the Companies will recover their smart meter costs through a reconcilable adjustment clause. The Companies contend that, in the future, it may appear desirable to "roll existing smart meter costs into base rates" while "continuing to recover new smart meter costs through a reconcilable automatic

adjustment clause.” *Id.* at ¶ 10. They argue that the Commission should not foreclose that possibility at this time.

Importantly, the Companies are **not** asking the Commission to rule, at this time, that they will be allowed to roll smart meter costs into base rates in the future. Rather, the Companies are simply seeking to have the Commission reserve judgment on that issue and not address it unless and until the Companies present a roll-in request in the context of a future distribution base rate filing.

*Id.* at ¶ 7 (emphasis in original). Therefore, the Companies ask that the above-quoted language from page 21, and its companion language in Ordering Paragraph 12, be deleted from the *June 2010 Order*.

The OCA supports the relief requested in the Petition. “The OCA agrees that the potential roll-in of the smart meter charges to base rates should not be precluded nor addressed until there is a proposal presented.” OCA Answer at 1-2.

It was the Commission’s intention when including this language in the *June 2010 Order* to prohibit the Companies from double recovering smart meter costs; we did not intend to address rate-making issues. Therefore, we will grant the requested relief, in part. We are persuaded that the *June 2010 Order* should not include an advisory opinion on an EDC’s ability to roll smart meter costs into base rates in a future base rate proceeding. That issue should be left for consideration in an appropriate future case.

Nevertheless, we believe it is unnecessary to delete the entire paragraph from Page 21, or all of Ordering Paragraph 12. In fact, we believe it is important to preserve a portion of those provisions as a reminder to all EDCs that the Commission will review and audit the costs of smart meter plans. We will, therefore, only remove the statement that smart meter plan costs “will not be included in the revenue requirement used in future distribution base rate cases.” While we agree with the Companies that this

language should be removed, we wish to reiterate the point that we attempted to make in the *June 2010 Order*, that should the Companies seek, and the Commission allow, smart meter costs to be rolled into base rates, the smart meter recovery surcharge should be reset to reflect the amount included in base rates so that the Companies are not recovering the same costs both through base rates and the surcharge.

### **Conclusion**

Based upon the foregoing discussion, we shall grant in part and deny in part the Companies' Petition for Reconsideration, consistent with the foregoing discussion;  
**THEREFORE,**

#### **IT IS ORDERED:**

1. That the Petition for Reconsideration filed by Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company on June 24, 2010, is granted in part and denied in part.

2. The second paragraph on page 21 of the Order entered June 9, 2010, in this proceeding is modified to read as follows:

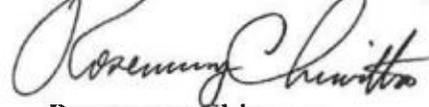
Although no Party addressed this point, we begin by noting that all Plan costs, including both expense and capital items (net of tax) and revenues included in the Companies' smart meter revenues, will be subject to Commission review and audit.

3. That Ordering Paragraph 12 of the Order entered June 9, 2010, in this proceeding is modified to read as follows:

12. That all Plan costs, including both expense and capital items (net of tax) and revenues included in the Companies' smart meter revenues, will be subject to Commission review and audit.

4. That the Secretary's Bureau shall mark this case closed.

**BY THE COMMISSION,**



Rosemary Chiavetta  
Secretary

(SEAL)

ORDER ADOPTED: July 29, 2010

ORDER ENTERED: August 3, 2010

## **APPENDIX B**

### **Petition for Reconsideration**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT PETITION OF METROPOLITAN :  
EDISON COMPANY, PENNSYLVANIA :  
ELECTRIC COMPANY AND :  
PENNSYLVANIA POWER COMPANY :       Docket No. M-2009-2123950  
FOR APPROVAL OF SMART METER :  
TECHNOLOGY PROCUREMENT AND :  
INSTALLATION PLAN :**

**PETITION OF METROPOLITAN EDISON COMPANY,  
PENNSYLVANIA ELECTRIC COMPANY, AND  
PENNSYLVANIA POWER COMPANY  
FOR RECONSIDERATION OF THE ORDER  
ENTERED JUNE 9, 2010**

Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company (collectively, the “Companies”), pursuant to 66 Pa.C.S. §703 and 52 Pa. Code §5.572, hereby petition the Pennsylvania Public Utility Commission (the “Commission”) for reconsideration of that portion of its June 9, 2010 Order which could be construed to bar, for all time, the inclusion of Smart Meter Technology Procurement and Installation Plan costs (“smart meter costs”) in the Companies’ future base distribution rates. In support thereof, the Companies submit as follows:

**I.       BACKGROUND**

1.       This proceeding concerns the Companies’ filing, on August 14, 2009 at the above-captioned docket, of a comprehensive Smart Meter Technology Procurement and Implementation Plan (“Smart Meter Plan” or “Plan”) in compliance with Act 129 of 2008 and the Commission’s June 24, 2009 Order at Docket No. M-2009-2092655 implementing same (“Implementation Order”). A history of the proceeding that followed is presented at pages 2-3 of

the Companies' Initial Brief filed December 11, 2009 and at page 4 of the Commission's June 9, 2010 Order, and is incorporated herein by reference.

2. Section 2807(f)(7) of the Public Utility Code (66 Pa.C.S. §2807(f)(7)) provides that electric distribution companies ("EDCs") may recover their smart meter costs either "(i) through base rates, including a deferral for future base rate recovery of current basis with carrying charge as determined by the commission; or (ii) on a full and current basis through a reconcilable automatic adjustment clause under section 1307."

3. In their August 14, 2009 filing, the Companies proposed to recover their smart meter costs through a reconcilable adjustment clause (the Smart Meter Technologies Charge or "SMT-C") established under 66 Pa.C.S. §1307 (Companies St. 3, p.3). In doing so, the Companies did not intend to foreclose the possibility of rolling all or some of their smart meter costs into base rates in future distribution rate filings.

4. At page 21 of its June 9, 2010 Order, in introducing its discussion of various cost recovery issues that were litigated during the course of the case, the Commission states as follows:

Although no Party addressed this point, we begin by noting that all Plan costs, including both expenses and capital items (net of tax) and revenues included in the Companies' smart meter revenues, will not be included in the revenue requirement used in future distribution base rate cases and will be subject to Commission review and audit.

Virtually identical language is repeated in Ordering Paragraph 12 at page 55 of the Commission's Order.

## II. THE STANDARDS FOR RECONSIDERATION

5. In *Duick v. Pennsylvania Gas and Water Co.*, 56 Pa.P.U.C. 553, 559 (1982)

(“*Duick*”), the Commission articulated the standards for reconsideration as follows:

[A] Petition for Reconsideration, under the provisions of 66 Pa.C.S. §703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part. In this regard, we agree with the court in the *Pennsylvania Railroad Company* case, wherein it was said that:

Parties ... cannot be permitted by a second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them...

What we expect to see raised in such petitions are new and novel arguments, not previously heard or considerations which appear to have been overlooked or not addressed by the Commission.

6. Additionally, a petition for reconsideration is properly before the Commission where it pleads newly discovered evidence, alleges errors of law, or a change in circumstances. *Pa. P.U.C. v. Jackson Sewer Corp.*, 96 Pa.P.U.C. 386 (2001) (“*Jackson*”).

## III. RELIEF SOUGHT AND ARGUMENT

7. By this Petition, the Companies request that the Commission exercise its discretion under Section 703(g) of the Code and amend its June 9, 2010 Order by deleting (1) the second paragraph on page 21 that is quoted in paragraph 4, *supra*, and (2) Ordering Paragraph 12 at page 55. Importantly, the Companies are **not** asking the Commission to rule, at this time, that they will be allowed to roll smart meter costs into base rates in the future. Rather, the Companies are simply seeking to have the Commission reserve judgment on that issue and not address it unless and until the Companies present a roll-in request in the context of a future distribution rate filing.

8. The relief sought herein clearly satisfies the *Duick* standards because the issue decided by the Commission in its June 9, 2010 Order was not raised or discussed in the proceedings below. Indeed, the Commission acknowledges in its Order that “no Party addressed this point” (p. 21). Under similar circumstances, i.e. where there has been no need or occasion to present arguments on a particular matter, the Commission has concluded that reconsideration is appropriate to preserve the parties’ due process rights. *See, e.g., Kaufman v. Verizon Pennsylvania Inc.*, 2008 Pa.P.U.C. LEXIS 53.

9. As noted previously, Section 2807(f)(7) of the Code allows EDCs to recover smart meter costs either through a reconcilable automatic adjustment clause or through base rates. The Companies believe Section 2807(f)(7) was designed to provide the Commission the flexibility to fashion the appropriate rate recovery mechanism on an ongoing case-by case basis as circumstances warrant. In other words, the Companies submit that it was not the Legislature’s intent to force the Commission and the EDCs to make a “one and done” decision at the very outset of the Smart Meter Program as to how smart meter costs are to be collected from customers over the next fifteen or more years, particularly where the vast majority of the costs in question are not presently known or quantifiable.

10. Once the Smart Meter Program is up and running and the Commission and the Companies have some experience with smart meter cost recovery issues, it may be concluded that it makes more sense to roll existing smart meter costs into base rates in the future while continuing to recover new smart meter costs through a reconcilable automatic adjustment clause. In that regard, the Companies note that revenue reductions caused by declining electric consumption or shifting energy demand attributable to smart metering can only be reflected in distribution base rate cases (66 Pa.C.S. §2807(f)(4) (i)). In addition, and as the Companies

pointed out in the proceeding below, the operating and capital cost savings generated by the Smart Meter Program are more easily and accurately captured in the context of a comprehensive base rate analysis of an EDC's total revenue requirement.<sup>1</sup>

11. Moreover, there is ample precedent for rolling into base rates categories of costs that were previously recovered through a reconcilable automatic adjustment clause. For example, certain state taxes are routinely rolled into base rates after being recouped through the State Tax Adjustment Surcharge ("STAS") between rate cases. Similarly, and perhaps more on point, the Distribution System Improvement Charge ("DSIC") implemented by many of the Commonwealth's major jurisdictional water companies is "zeroed out" in base rate proceedings and the depreciated original cost, i.e. unrecovered investment, of replacement property previously included in the DSIC is added to rate base.

12. The foregoing discussion is not intended to convince the Commission that base rate recovery of smart meter costs is the preferred outcome over the long-term. To be sure, that determination need not and should not be made now. Rather, the Companies merely wish to point out that rolling these costs into base rates may prove to be a viable option in the future and to urge the Commission not to foreclose that option at this time. To the extent it has that effect, the Companies submit that the June 9, 2010 Order is inconsistent with Act 129 and should, therefore, be amended.

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<sup>1</sup> As observed by the ALJ (Initial Decision, p. 32, Ftn. 9), the unrecovered original cost of existing meters being replaced by smart meters will also continue to be recovered in base rates.

WHEREFORE, Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company request the Commission to reconsider its June 9, 2010 Order and to delete the second paragraph on page 21 and Ordering Paragraph No. 12 on page 55.

Respectfully submitted,



Kathy J. Kolich, Esquire  
Attorney No. 92203  
FirstEnergy Service Company  
76 South Main Street  
Akron, OH 44308  
Phone: (330) 384-4580  
Fax: (330) 384-3875  
Email: [kjkolich@firstenergycorp.com](mailto:kjkolich@firstenergycorp.com)

Bradley A. Bingaman, Esquire  
Attorney No. 90443  
FirstEnergy Service Company  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA 19612-6001  
Phone: (610) 921-6203  
Fax: (610) 939-8655  
Email: [bbingaman@firstenergycorp.com](mailto:bbingaman@firstenergycorp.com)

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Thomas P. Gadsden, Esquire  
Attorney No. 28478  
Anthony C. DeCusatis, Esquire  
Attorney No. 25700  
Catherine G. Vasudevan, Esquire  
Attorney No. 210254  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
Phone: (215) 963-5234  
Fax: (215) 963-5001  
Email: [tgadsden@morganlewis.com](mailto:tgadsden@morganlewis.com)

Counsel for:  
Metropolitan Edison Company,  
Pennsylvania Electric Company and  
Pennsylvania Power Company

Date: June 24, 2010

## **APPENDIX C**

**Office of Consumer Advocates' Answer To  
The Companies' Petition for Reconsideration**

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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

IRWINA. POPOWSKY  
Consumer Advocate

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

July 6, 2010

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

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

Dear Secretary Chiavetta:

Enclosed for filing is the Answer of the Office of Consumer Advocate to the  
FirstEnergy Companies' Petition for Reconsideration.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Candis A. Tunilo".

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

Enclosures

cc: Honorable Susan D. Colwell  
Office of Special Assistants

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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ANSWER OF THE OFFICE OF CONSUMER ADVOCATE TO THE FIRSTENERGY  
COMPANIES' PETITION FOR RECONSIDERATION

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On June 24, 2010, Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company (collectively FirstEnergy Companies) filed a Petition for Reconsideration of the Commission's Order entered June 9, 2010, approving the FirstEnergy Companies' smart meter implementation plans with modifications. In their Petition, the FirstEnergy Companies request that the Commission delete the second paragraph on page 21 and Ordering Paragraph 12 on page 55 of the Commission's Order entered June 9, 2010.

The second paragraph of page 21 and Ordering Paragraph 12 are nearly identical, stating:

Although no Party addressed this point, we begin by noting that all Plan costs, including both expenses and capital items (net of tax) and revenues included in the Companies' smart meter revenues, will not be included in the revenue requirement used in future distribution base rate cases and will be subject to Commission review and audit.

Order at 21, ¶ 2. In their Petition, the FirstEnergy Companies request that the Commission reserve judgment on this issue and not address it unless and until the Companies present a roll-in request in the future base rate case.

The Office of Consumer Advocate (OCA) supports the relief requested in the FirstEnergy Companies' Petition for Reconsideration. The OCA agrees that the potential roll-in of the smart

meter charges to base rates should not be precluded nor addressed until there is a proposal presented.

Respectfully Submitted,

*Candis A Tunilo*

Aron J. Beatty  
PA Attorney I.D. # 86625  
E-Mail: [ABeatty@paoca.org](mailto:ABeatty@paoca.org)

Candis A. Tunilo  
Assistant Consumer Advocates  
PA Attorney I.D. # 89891  
E-Mail: [CTunilo@paoca.org](mailto:CTunilo@paoca.org)

Tanya J. McCloskey  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50044  
E-Mail: [TMcCloskey@paoca.org](mailto:TMcCloskey@paoca.org)

Counsel for:  
Irwin A. Popowsky  
Consumer Advocate

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

Dated: July 6, 2010  
129909.doc

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, the Answer of the Office of Consumer Advocate, 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 6<sup>th</sup> day of July 2010.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Charles Daniel Shields, Esquire  
Carrie B. Wright, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

SERVICE BY E-MAIL and FIRST CLASS MAIL

Bradley A. Bingaman, Esquire  
FirstEnergy Service Company  
2800 Pottsville Pike  
P.O. Box 16001  
Reading, PA19612-6001  
Counsel for: *FirstEnergy Service Company*

Kathy J. Kolich, Esquire  
FirstEnergy Service Company  
76 South Main Street  
Akron, OH 44308  
Counsel for: *FirstEnergy Service Company*

Thomas P. Gadsden, Esquire  
Anthony C. DeCusatis, Esquire  
Catherine G. Vasudevan, Esquire  
Morgan, Lewis & Bockius, LLP  
1701 Market Street  
Philadelphia, PA 19103  
Counsel for: *Met-Ed, Penelec, and PennPower*

Daniel G. Asmus  
Lauren M. Lepkoski  
Assistant Small Business Advocates  
Office of Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101  
Counsel for: *Office of Small Business Advocate*

Harry S. Geller, Esquire  
John C. Gerhard, Esquire  
Julie George, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101-1414  
Counsel for: *Pennsylvania Association of  
Community Organizations for Reform Now*

Brian J. Knipe, Esquire  
Michael T. Killion, Esquire  
Buchanan Ingersoll & Rooney, P.C.  
15<sup>th</sup> Floor  
17 North Second Street  
Harrisburg, PA 17101-1503  
Counsel for: *Constellation NewEnergy, Inc.  
and Constellation Energy Commodities Group,  
Inc.*

Kurt E. Klapkowski, Assistant Counsel  
Commonwealth of Pennsylvania  
RCSOB, 9<sup>th</sup> Floor  
400 Market Street  
Harrisburg, PA 17101  
Counsel for: *Department of Environmental  
Protection*

Charis Mincavage, Esquire  
Vasiliki Karandrikas, Esquire  
Carl I. Zwick, Esquire  
McNEES WALLACE & NURICK LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
Counsel for: *Met-Ed Industrial Users Group,  
Penelec Industrial Customer Alliance, and  
Penn Power Users Group*

*Candis A Tunilo*

---

Aron J. Beatty  
Assistant Consumer Advocate  
PA Attorney I.D. # 86625  
E-Mail: ABeatty@paoca.org  
Candis A. Tunilo  
Assistant Consumer Advocate  
PA Attorney I.D. # 89891  
E-Mail: CTunilo@paoca.org  
Tanya J. McCloskey  
Senior Assistant Consumer Advocate  
PA Attorney I.D. # 50044  
E-Mail: TMcCloskey@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

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

v.

**METROPOLITAN EDISON COMPANY**

**Docket No. R-2014-2428745**

**PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

v.

**PENNSYLVANIA ELECTRIC COMPANY**

**Docket No. R-2014-2428743**

**PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

v.

**PENNSYLVANIA POWER COMPANY**

**Docket No. R-2014-2428744**

**PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

v.

**WEST PENN POWER COMPANY**

**Docket No. R-2014-2428742**

**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing **Letter dated October 10, 2014 to the Honorable Dennis J. Buckley and the Honorable Katrina Dunderdale on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company** on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA ELECTRONIC MAIL AND FIRST CLASS MAIL

Dennis J. Buckley  
Administrative Law Judge  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
Office of Administrative Law Judge  
400 North Street  
Harrisburg, PA 17120  
[debuckley@pa.gov](mailto:debuckley@pa.gov)

Honorable Katrina Dunderdale  
Administrative Law Judge  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
Pittsburgh District Office  
Piatt Place, Suite 220  
301 5th Avenue  
Pittsburgh, PA 15222  
[kdunderdal@pa.gov](mailto:kdunderdal@pa.gov)

Aron J. Beatty  
Darryl A. Lawrence  
Brandon J. Pierce  
Kristine E. Robinson  
Lauren M. Burge  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor, Form Place  
Harrisburg, PA 17101-1923  
[abeatty@pa.oica.org](mailto:abeatty@pa.oica.org)  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)  
[bpierce@paoca.org](mailto:bpierce@paoca.org)  
[krobinson@paoca.org](mailto:krobinson@paoca.org)  
[lburge@paoca.org](mailto:lburge@paoca.org)

Allison C. Kaster  
Carrie B. Wright  
Scott B. Granger  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120  
[akaster@pa.gov](mailto:akaster@pa.gov)  
[carwright@pa.gov](mailto:carwright@pa.gov)  
[sgranger@pa.gov](mailto:sgranger@pa.gov)

Daniel G. Asmus  
Assistant Small Business Advocate  
Office of Small Business Advocate  
Commerce Tower – Suite 202  
300 North Second Street  
Harrisburg, PA 17101  
[dasmus@pa.gov](mailto:dasmus@pa.gov)

Thomas J. Sniscak  
William E. Lehman  
Hawke, McKeon & Sniscak LLP  
P.O. Box 1778  
100 North Tenth Street  
Harrisburg, PA 17105-1778  
[tjsniscak@hmslegal.com](mailto:tjsniscak@hmslegal.com)  
[welehman@hmslegal.com](mailto:welehman@hmslegal.com)  
*Counsel for Pennsylvania State University*

Charis Mincavage  
Vasiliki Karandrikas  
Teresa K. Schmittberger  
Elizabeth P. Trinkle  
Susan E. Bruce  
McNees, Wallace & Nurick, LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
[cmincavage@mwn.com](mailto:cmincavage@mwn.com)  
[vkandrikas@mwn.com](mailto:vkandrikas@mwn.com)  
[tschmittberger@mwn.com](mailto:tschmittberger@mwn.com)  
[etrinkle@mwn.com](mailto:etrinkle@mwn.com)  
[sbruce@mwn.com](mailto:sbruce@mwn.com)  
*Counsel for MEIUG/PICA/PPUG  
and WPPII*

David J. Dulick  
General Counsel  
Pennsylvania Rural Electric Association  
Allegheny Electric Cooperative, Inc.  
212 Locust Street  
P.O. Box 1266  
Harrisburg, PA 17108-1266  
[david\\_dulick@ccsenergy.com](mailto:david_dulick@ccsenergy.com)  
*Counsel for Pennsylvania Rural  
Electric Association and Allegheny  
Electric Cooperative, Inc.*

Thomas T. Niesen  
Thomas, Niesen & Thomas, LLC  
212 Locust Street, Suite 600  
Harrisburg, PA 17101  
[tniesen@tntlawfirm.com](mailto:tniesen@tntlawfirm.com)  
*Counsel for Pennsylvania Rural Electric  
Association and Allegheny Electric  
Cooperative, Inc.*

David F. Boehm  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202  
[dboehm@bkllawfirm.com](mailto:dboehm@bkllawfirm.com)  
*Counsel for AK Steel Corporation*

Scott J. Rubin  
333 Oak Lane  
Bloomsburg, PA 17815-2036  
[scott.j.rubin@gmail.com](mailto:scott.j.rubin@gmail.com)  
*Counsel for Utility Workers Union  
of America System Local 102 &  
International Brotherhood of  
Electrical Workers Local 777*

Michael Panfil  
John Finnigan  
EDF  
1875 Connecticut Avenue, N.W.  
Washington, DC 20009  
[mpanfil@edf.org](mailto:mpanfil@edf.org)  
[jfinnigan@edf.org](mailto:jfinnigan@edf.org)  
*Counsel for Environmental Defense Fund*

Charles E. Thomas, III, Esquire  
Thomas, Niesen & Thomas, LLC  
212 Locust Street, Suite 600  
P.O. Box 9500  
Harrisburg, PA 17108-9500  
[cet3@tntlawfirm.com](mailto:cet3@tntlawfirm.com)  
*Counsel for Noble Americas Energy  
Solutions LLC*

Harry S. Geller  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101-1414  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)  
*Counsel for CAUSE-PA*

Heather Langeland  
200 First Avenue, Suite 200  
Pittsburgh, PA 15222  
[langeland@pennfuture.org](mailto:langeland@pennfuture.org)  
*Counsel for PennFuture*



Anthony C. DeCusatis (Pa. I.D. No. 25700)  
Catherine G. Vasudevan (Pa. I.D. No. 210254)  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
215.963.5234 (dir)  
215.963.5001 (fax)  
[adecusatis@morganlewis.com](mailto:adecusatis@morganlewis.com)  
[cvasudevan@morganlewis.com](mailto:cvasudevan@morganlewis.com)

*Counsel for Metropolitan Edison Company,  
Pennsylvania Electric Company, Pennsylvania  
Power Company and West Penn Power Company*

Date: October 10, 2014