

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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Consumer Advocate

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September 25, 2009

James J. McNulty  
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 Technology  
Procurement and Installation Plan  
Docket No. M-2009-2123944

Dear Secretary McNulty:

Enclosed for filing is the Prehearing Memorandum of the Office of Consumer Advocate,  
in the above-referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jennedy S. Johnson".

Jennedy S. Johnson  
Assistant Consumer Advocate  
PA Attorney I.D. # 203098

Enclosures

cc: Honorable Marlane R. Chestnut

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PECO Energy Company for :  
Approval of Its Smart Meter Technology : Docket No. M-2009-2123944  
Procurement and Installation Plan :

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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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 AND PROCEDURAL HISTORY**

On August 14, 2009, PECO Energy Company (PECO or Company) filed its Petition with the Pennsylvania Public Utility Commission (Commission) pursuant to Section 2807(f)(1) of the Public Utility Code and pursuant to the Implementation Order entered by the Commission at Docket No. M-2009-2092655 on June 24, 2009. Petition at 2. PECO requests that the Commission find that its Plan satisfies the requirements of Act 129 and approve both the procurement and deployment of up to 600,000 meters and the Company’s proposed tariff provisions and cost recovery surcharge mechanism. Id. at 1. Beginning in the fall of 2011, the Company plans an initial deployment (“Phase One”) of 100,000 to 600,000 smart meters—depending on PECO’s receipt of American Recovery and Reinvestment Act (ARRA) funds. Id. at 7. PECO anticipates filing its Plan for “Phase Two” with the Commission in 2012, which will detail its plans to install smart meters for the remainder of its customers, after the Advanced Meter Infrastructure (AMI) is operational. Id. at 8.

The Company's filing was assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Marlane R. Chestnut for investigation. On September 2, 2009, a Prehearing Conference Order was issued by ALJ Chestnut. On September 29, 2009, a prehearing conference will be held in Harrisburg. On October 7, 2009, a Technical Conference will be held, and on November 12-13, 2009, technical evidentiary hearings will be held.

On September 1, 2009, the Office of Consumer Advocate filed its Notice of Intervention and Public Statement in this matter. On September 25, 2009, the OCA will file Comments which will set forth the initial issues that the OCA has identified. On October 2, 2009, the OCA will file direct testimony which will detail the OCA's specific issues and recommendations.

## **II. ISSUES AND SUB-ISSUES**

Based upon a preliminary analysis of PECO's filing, the OCA has compiled an initial list of issues and sub-issues which it anticipates will be included in its investigation of the Company's filing. It is anticipated that other issues may arise and may be pursued once the answers to all of OCA's interrogatories have been received and analyzed.

The following list sets forth the initial issues that the OCA anticipates it will examine:

- (1) Reasonableness of the Company's smart meter plan and the individual proposals for meeting the requirements of Act 129.
- (2) Reasonableness of the Company's proposed Plan costs, including the proposed budgets.
- (3) Reasonableness of the Company's proposed cost recovery mechanisms and the allocation of costs.
- (4) Reasonableness and cost effectiveness of the proposed Plan and whether the resulting rates are just and reasonable.
- (5) Need for an on-going role of a stakeholder group and continuing Commission review.

The OCA specifically reserves the right to raise additional issues as may be necessary. The OCA would note that it is also filing Comments in this docket on September 25, 2009 in which the OCA identifies its initial concerns and recommendations regarding the Company's filing. A copy of the OCA's Comments will be provided to the ALJ and the parties to this proceeding.

### **III. WITNESSES**

The OCA intends to present the direct testimony of the following witnesses in this proceeding. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, comments, and answers to interrogatories be mailed directly to the expert witnesses as well to counsel for the OCA.

#### **Smart Meter Plan**

Richard Hahn  
John Athas  
Shawn Carraher  
LaCapra Associates  
9th Floor  
One Washington Mall  
Boston, MA 02108  
Telephone: 617-778-5515  
E-mail: [rhahn@lacapra.com](mailto:rhahn@lacapra.com)  
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[SCarraher@lacapra.com](mailto:SCarraher@lacapra.com)

## **Cost Recovery & Cost Allocation**

Thomas Catlin  
Dale Swan  
Exeter Associates, Inc.  
Suite 310  
5565 Sterrett Place  
Columbia, MD 21044  
Phone: 410-992-7500  
Fax: 410-992-3445  
E-mail: [tcatlin@exeterassociates.com](mailto:tcatlin@exeterassociates.com)  
[dswan@exeterassociates.com](mailto:dswan@exeterassociates.com)

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

### **IV. SERVICE ON OCA**

The OCA will be represented in this case by Assistant Consumer Advocate, Jennedy S. Johnson and Senior Assistant Consumer Advocate, Tanya J. McCloskey. Two copies of all documents should be served on the OCA as follows:

Jennedy S. Johnson  
Assistant Consumer Advocate  
Tanya J. McCloskey  
Senior Assistant Consumer Advocate  
Office of Consumer Advocate  
555 Walnut St., 5<sup>th</sup> Floor, Forum Place  
Harrisburg, PA 17101-1923  
Telephone: (717) 783-5048  
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Email: [TMcCloskey@paoca.org](mailto:TMcCloskey@paoca.org)  
[JJohnson@paoca.org](mailto:JJohnson@paoca.org)

As a courtesy, the OCA requests that all electronic correspondence be copied to Jessica J. Horner ([JHorner@paoca.org](mailto:JHorner@paoca.org)).

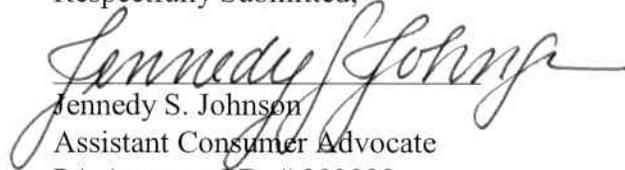
## V. DISCOVERY

Given the expedited nature of schedule the OCA supports a shortened discovery schedule. It is the OCA's understanding that the Company will be proposing such modification in its prehearing memorandum.

## VI. SCHEDULE

The prehearing order provides for the schedule of this proceeding and the OCA will work with the parties to address any witness scheduling issues.

Respectfully Submitted,



Kennedy S. Johnson

Assistant Consumer Advocate

PA Attorney I.D. # 203098

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Dated: September 25, 2009

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CERTIFICATE OF SERVICE

Petition of PECO Energy Company for :  
Approval of its Smart Meter Technology : Docket No. M-2009-2123944  
Procurement and Installation Plan :

I hereby certify that I have this day served a true copy of the foregoing document, the Prehearing Memorandum 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 25<sup>th</sup> day of September 2009.

SERVICE BY E-MAIL and INTEROFFICE MAIL

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SERVICE BY E-MAIL and FIRST CLASS MAIL

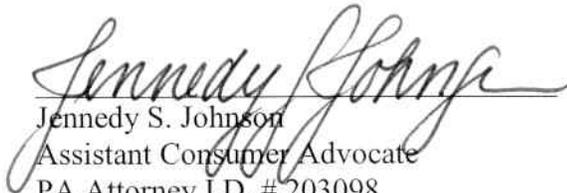
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