

OFFICE OF CHIEF COUNSEL
Rachel Carson State Office Building
P. O. Box 8464
Harrisburg, PA 17105-8464
September 25, 2009

Bureau of Regulatory Counsel

Telephone 717-787-7060
Telecopier 717-783-7911

Honorable James McNulty
Secretary, Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: Petition of West Penn Power Company d/b/a Allegheny Power for
Expedited Approval of its Smart Meter Technology
Procurement and Installation Plan
PUC Docket No. M-2009-2123951

Dear Secretary McNulty:

Please find attached for electronic filing the Prehearing Memorandum of the Commonwealth of Pennsylvania, Department of Environmental Protection in the above referenced matter. Copies have been served on all parties listed on the enclosed Certificate of Service.

Sincerely,

/s/ Scott Perry

Scott Perry
Assistant Counsel

cc: Service List

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of West Penn Power Company :
d/b/a Allegheny Power for Expedited :
Approval of its Smart Meter Technology : **Docket No. M-2009-2123951**
Procurement and Installation Plan :

**PREHEARING MEMORANDUM OF THE
COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. § 333, and in response to the September 1, 2009 prehearing conference order issued in the above-captioned matter, the Commonwealth of Pennsylvania, Department of Environmental Protection (the "Department") provides the following information:

I. INTRODUCTION

Pursuant to Act 129 of 2008 and the Pennsylvania Public Utility Commission's ("Commission") Smart Meter Procurement and Installation Order ("Implementation Order") at Docket No. M-2009-2092655, on August 14, 2009, West Penn Power Company d/b/a Allegheny Power ("Allegheny Power") filed its Petition for Expedited Approval of its Smart Meter Technology Procurement and Installation Plans ("Smart Meter Plan").

On August 29, 2009 the Commission published a notice of Duquesne's petition in the *Pennsylvania Bulletin* which required Petitions to Intervene and comments to the Smart Meter Plan to be filed by September 25, 2009. The Department filed its petition to intervene on September 18, 2009.

II. ISSUES

The Department has consistently maintained that early deployment of smart meters and implementation of the time of use rates and real time price plans that smart meters support are necessary to achieving meaningful reductions in both energy consumption and energy prices. Smart meters and time sensitive price plans effectively use market forces to reduce consumption, shift some uses to cheaper times of day, save the consumer money and provide system-wide benefits such as reduced grid congestion and improved grid reliability. In addition, by reducing overall electricity consumption and shifting loads to off peak hours, smart meters necessarily reduce fossil fuel consumption, greenhouse gas emissions and improve air and water quality.

As such, the Department's interests in this matter relate to the timeframe in which the metering infrastructure will be developed and installed, the timeframe in which smart meters will be deployed system-wide and the functions the proposed smart meters and infrastructure will perform and support. The Department will evaluate the Smart Meter Plan to determine its compliance with the Commission's Implementation Order and Act 129. The Department's preliminary assessment of the Smart Meter Plan is contained in the Comments that were filed along with this prehearing memo.

III. WITNESSES

At this time, the Department does not intend to present testimony in this matter.

IV. SERVICE

All documents and correspondence related to this proceeding should be addressed to:

Scott Perry
Assistant Counsel
Commonwealth of Pennsylvania

Department of Environmental Protection
RCSOB, 9th Floor
400 Market Street
Harrisburg, PA 17101-2301
717-787-7060
717-783-7911 (Fax)
scperry@state.pa.us

The Department also requests that electronic copies of documents be provided to Aspasia V.

Staevska at astaevska@state.pa.us and George Jugovic at gjugovic@state.pa.us.

Respectfully submitted,

/s/ Scott Perry

George Jugovic (Pa. No. 39586)
Assistant Counsel
gjugovic@state.pa.us
Commonwealth of Pennsylvania
Department of Environmental Protection
400 Waterfront Drive
Pittsburgh, PA 1522-4745
412-442-4262
412-442-4274 (Fax)

Scott Perry (Pa. No. 86327)
Assistant Counsel
scperry@state.pa.us

Aspasia V. Staevska (Pa. No. 94739)
Assistant Counsel
astaevska@state.pa.us

Commonwealth of Pennsylvania
Department of Environmental Protection
RCSOB, 9th Floor
400 Market Street
Harrisburg, PA 17101-2301
717-787-7060
717-783-7911 (Fax)

Dated: September 25, 2009

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Petition of West Penn Power Company :
d/b/a Allegheny Power for Expedited : **Docket No. M-2009-2123951**
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Commonwealth of Pennsylvania, Department of Environmental Protection, 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 upon the persons listed below:

SERVICE BY FIRST CLASS MAIL

Honorable Mark A. Hoyer
Administrative Law Judge
Pennsylvania Public Utility Commission
Pittsburgh State Office Building Rm 1103
300 Liberty Avenue
Pittsburgh, PA 15222

Christy M. Appleby, Esquire
Tanya J. McCloskey, Esquire
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street, 5th Floor
Harrisburg, PA 17101

John L. Munsch
West Penn Power Company
800 Cabin Hill Drive
Greensburg, PA 15601

John F. Povilaitis, Esquire
Matthew A. Totino, Esquire
Ryan, Russell, Ogden & Seltzer
800 North Third Street, Suite 101
Harrisburg, PA 17102-2025

Richard A. Kanaskie, Esquire
Adeolu A. Bakare, Esquire
PA Public Utility Commission
Office of Trial Staff
P O Box 3265
Harrisburg, PA 17105-3265

Harry Geller, Esquire
John C. Gerhard, Esquire
PA Utility Law Project
118 Locust Street
Harrisburg, PA 17101

Lauren Lepkoski, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Adam L. Benshoff, Esquire
Shelby A. Linton-Keddie, Esquire
Derrick P. Williamson, Esquire
McNees Wallace & Nurick
West Penn Power
Industrial Intervenors
100 Pine Street
Harrisburg, PA 17108

Charles E. Thomas, Jr., Esquire
Thomas T. Niesen, Esquire
Thomas Long Niesen & Kennard
212 Locust Street, Suite 500
Harrisburg, PA 17108-9500

Respectfully submitted,

/s/ Scott Perry

Scott Perry (Pa. No. 86327)
Assistant Counsel
scperry@state.pa.us

Commonwealth of Pennsylvania
Department of Environmental Protection
RCSOB, 9th Floor
400 Market Street
Harrisburg, PA 17101-2301
717-787-7060
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