

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

October 5, 2009

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Petition of Duquesne Light Company for
Approval of its Smart Meter Technology
Procurement and Installation Plan
Docket No. M-2009-2123948

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 "David T. Evrard".

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870

Enclosures

cc: Honorable Robert P. Meehan

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Duquesne Light Company for	:		
Approval of its Smart Meter Technology	:	Docket No.	M-2009-2123948
Procurement and Installation Plan	:		

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

On August 14, 2009, Duquesne Light Company (Duquesne or Company) filed its Petition with the Pennsylvania Public Utility Commission (Commission) pursuant to Section 2807(f)(1) of the Public Utility Code, 66 Pa.C.S. § 2807(f)(1), and pursuant to the Implementation Order entered by the Commission at Docket No. M-2009-2092655 on June 24, 2009. Duquesne seeks approval of its Smart Meter Procurement and Installation Plan (SMPI Plan) and also seeks permission to recover the costs associated with the Plan through a new charge, the Smart Meter Charge (SMC), to be established as a reconcilable automatic adjustment charge under Section 1307 of the Code, 66 Pa.C.S. § 1307. The full detail of Duquesne's SMPI Plan is dependent upon further analysis, assessment and development to be conducted by the

Company during the thirty(30)-month network development and installation grace period granted by the Commission in its Implementation Order. Duquesne indicates its intention to submit a Supplemental Filing on or before December 31, 2011 with an updated SMPI Plan that will provide additional details of the Plan and further information on costs to implement the Plan. In addition, Duquesne seeks approval to collect its proposed grace period budget of \$38 million through its newly proposed SMC.

The Company's filing was assigned to the Office of Administrative Law Judge and then further assigned to Administrative Law Judge Robert P. Meehan for investigation. On August 19, 2009, a Prehearing Conference Order was issued by ALJ Meehan specifying, among other things, that a prehearing conference will be held simultaneously in Harrisburg and Pittsburgh on October 7, 2009.

On September 2, 2009, the Office of Consumer Advocate filed its Notice of Intervention and Public Statement in this matter. The OCA has served four sets of interrogatories to date and the Company has responded fully to three. Further discovery may be forthcoming as the OCA continues its examination of the Company's filing. On September 25, 2009, the OCA filed Comments in this proceeding which set forth the initial issues that the OCA has identified. A copy of the OCA's Comments was provided to Judge Meehan and the parties to the proceeding.

II. ISSUES AND SUB-ISSUES

Based upon its initial analysis of Duquesne's filing, the OCA has identified a number of issues which it anticipates raising in this proceeding. In addition, other issues may arise and be pursued as the OCA continues to analyze the Company's filing and reviews the responses to its discovery.

The following is the initial list of issues the OCA has identified:

- (1) Reasonableness of Duquesne's proposed Smart Meter Plan in meeting Act 129 requirements;
- (2) Reasonableness of Duquesne's proposed Plan costs, including the proposed grace period budget;
- (3) Reasonableness of Duquesne's proposed cost recovery mechanism and the allocation of smart meter costs; and
- (4) Whether rates resulting from the Smart Meter Plan are just and reasonable.

The OCA specifically reserves the right to raise additional issues as may be necessary.

III. WITNESSES

The OCA intends to present the direct testimony of expert witnesses in this proceeding to complement the OCA's Comments. 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 as mailing a copy to counsel for the OCA.

Smart Meter Plan and Cost Recovery

Thomas Catlin
Dale Swan
Steve Estomin
Christina Mudd
Exeter Associates, Inc.
Suite 310
5565 Sterrett Place
Columbia, MD 21044
Phone: (410) 992-7500
Fax: (410) 992-3445

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, Your Honor and all parties of record will be notified.

IV. SERVICE ON OCA

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

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870
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555 Walnut Street
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Phone: (717) 783-5048
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As a courtesy, the OCA requests that all electronic correspondence be copied to Jessica J. Horner (JHorner@paoca.org).

V. DISCOVERY

By way of electronic mail exchange on September 3 and 4, 2009, counsel for the OCA and Duquesne informally agreed that answers to written interrogatories in this proceeding would be answered within ten (10) days. As indicated above, the OCA has propounded four sets of interrogatories upon the Company since that time and the Company has adhered to the agreed-upon timeline as to the three sets to which it has already responded. The OCA would therefore ask Your Honor to formalize the 10-day response time for the remainder of the discovery period and make the additional discovery modifications set forth below:

(1) Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.

(2) Objections to interrogatories shall be communicated orally within three (3) calendar days of the service of 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) Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.

(7) Requests for admissions will be deemed admitted unless answered within seven (7) calendar days or objected to within five (5) calendar days of service.

The OCA reiterates that all time periods established in the foregoing discovery schedule should be calculated using calendar days.

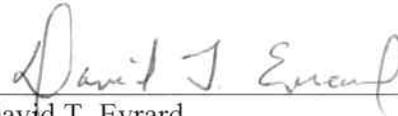
VI. SCHEDULE

The OCA has been working with the other parties to arrive at a mutually acceptable procedural schedule for this proceeding and expects to have a proposed schedule available at the Prehearing Conference.

VII. PUBLIC INPUT HEARINGS

At present, the OCA has not received any requests for public input hearings.

Respectfully Submitted,



David T. Evrard

Assistant Consumer Advocate

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Tanya J. McCloskey

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Consumer Advocate

Office of Consumer Advocate

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Dated: October 5, 2009

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CERTIFICATE OF SERVICE

Petition of Duquesne Light Company for :
Approval of its Smart Meter Technology : Docket No. M-2009-2123948
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 5th day of October, 2009.

SERVICE BY E-MAIL and INTEROFFICE MAIL

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SERVICE BY E-MAIL and FIRST CLASS MAIL

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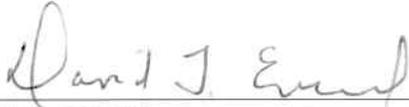
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