

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

March 1, 2010

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

RE: Petition of PPL Electric Utilities
Corporation for Approval of a Smart Meter
Technology Procurement and Installation Plan
Docket No. M-2009-2123945

Dear Secretary McNulty:

Enclosed for filing are the Reply Exceptions of the Office of Consumer Advocate to the Initial Decision issued on January 28, 2010 by the Honorable Wayne L. Weismandel, in the above-referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in black ink that reads "James A. Mullins".

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066

Enclosures

cc: Honorable Wayne L. Weismandel

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation :
for Approval of a Smart Meter Technology : Docket No. M-2009-2123945
Procurement and Installation Plan :

REPLY EXCEPTION
OF THE
OFFICE OF CONSUMER ADVOCATE

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066
E-Mail: JMullins@paoca.org
Tanya J. McCloskey
Senior Assistant Consumer Advocate
PA Attorney I.D. # 50044
E-Mail: 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
Fax: (717) 783-7152

Dated: March 1, 2010

I. INTRODUCTION

On January 28, 2010, the Office of Administrative Law Judge issued the Initial Decision (I.D.) of ALJ Weismandel in this proceeding. On February 17, 2010, the OCA filed brief Exceptions in response to two positions advanced in the ALJ's Initial Decision. Likewise, PPL Electric Utilities Corporation (PPL or Company), the Commission's Office of Trial Staff (OTS), and the Commonwealth of Pennsylvania's Department of Environmental Protection (DEP) filed Exceptions to various positions contained in the I.D. As with its initial Exceptions, the OCA files this brief Reply Exception in response to an Exception filed by the Company. Among its Exceptions, the Company argues that its feeder meter pilot program should be approved as part of its Smart Meter Plan. The OCA submits that PPL's Exception regarding this issue must be denied.

II. REPLY EXCEPTION

OCA Reply Exception: The ALJ Was Correct In Determining That PPL's Feeder Meter Pilot Project Should Not Be Approved As Part Of The Company's Smart Meter Plan. (I.D. at 27; OCA M.B. at 18-19; OCA R.B. at 5-6).

At Section 6(C)(5) of its Smart Meter Plan, PPL sets forth the parameters of its feeder meter pilot program. As set forth on OCA Cross-Examination Exhibit No.1, the Company clarifies that:

Feeder meters are devices that monitor the total flow of energy on a radial distribution line from a substation, not the branch flow of energy to a particular customer as measured by an individual meter.

See, OCA Cross-Examination Exhibit No.1. As OCA witness Christina Mudd testified, the feeder meter pilot project is a distribution system upgrade rather than a pilot related to customer smart meter capability. OCAs St. No. 1 at 17. Consequently, the OCA determined that this pilot project should not be approved as part of the PPL Smart Meter Plan. The OCA noted that the Company can undertake this pilot in the normal course of business and seek recovery of the associated costs through the standard base rate process. Id. at 19.

In his Initial Decision, ALJ Weismandel agreed with the OCA. Specifically, ALJ Weismandel stated:

As OCA contends, the feeder meter pilot project is a distribution system upgrade rather than a customer smart meter capability. OCA St. No.1 at 17. PPL's own witness confirmed that feeder meters will not provide information to end users that will assist in conservation or load shifting. Tr. at 102.

PPL has not proved that feeder meters enhance the capabilities of the customer's advanced meter infrastructure. Consequently, this pilot project should not be approved as part of the PPL Plan. PPL can undertake this pilot in the normal course of business if it so desires and seek recovery of the associated costs via standard base rate recovery. However, this program should not be treated as part of

PPL's Act 129 obligation and provided the special ratemaking treatment afforded Act 129 costs.

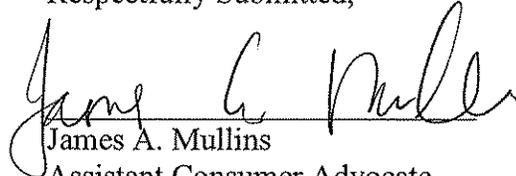
I.D. at 27. The OCA submits that ALJ Weismandel's determination on this issue should not be disturbed.

In its Exceptions, the Company reiterates its arguments in favor of inclusion of this pilot within the Company's Smart Meter Plan by asserting that "smart meter technology" should not be viewed in a restrictive manner. PPL Exc. at 13. However, as established by ALJ Weismandel and the OCA, the Company's feeder meter pilot program represents a distribution system upgrade rather than a pilot regarding customer smart meter capability. Consequently, the ALJ correctly concluded that this pilot should not be considered part of PPL's Act 129 Smart Meter Plan. Therefore, this pilot should not be afforded the special ratemaking treatment for Act 129 costs.

III. CONCLUSION

For the reasons set forth above, and for the reasons set forth in the OCA's Main Brief and Reply Brief, the OCA respectfully submits that the ALJ's determination regarding the Company's feeder meter pilot program be upheld.

Respectfully Submitted,



James A. Mullins

Assistant Consumer Advocate

PA Attorney I.D. # 77066

E-Mail: JMullins@paoca.org

Tanya J. McCloskey

Senior Assistant Consumer Advocate

PA Attorney I.D. # 50044

E-Mail: 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
Fax: (717) 783-7152

Dated: March 1, 2010
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CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities Corporation :
for Approval of a Smart Meter Technology : Docket No. M-2009-2123945
Procurement and Installation Plan :

I hereby certify that I have this day served a true copy of the foregoing document, Reply Exceptions of the Office of Consumer Advocate to the Initial Decision issued on January 28, 2010 by the Honorable Wayne L. Weismandel, 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 1st day of March 2010.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Allison C. Kaster, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
Counsel for: *Office of Trial Staff*

SERVICE BY E-MAIL and FIRST CLASS MAIL

Paul E. Russell, Esquire
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, PA 18101-1179
Counsel for: *PPL Electric Utilities Corporation*

David B. MacGregor, Esquire
Andrew S. Tubbs, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
Counsel for: *PPL Electric Utilities Corporation*

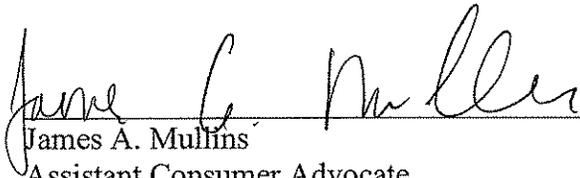
Sharon E. Webb
Assistant Small Business Advocate
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101
Counsel for: *Office of Small Business Advocate*

Kurt E. Klapkowski, Assistant Counsel
Commonwealth of Pennsylvania
Department of Environmental Protection
400 Market Street
Harrisburg, PA 17101
Counsel for: *Department of Environmental Protection*

Pamela C. Polacek, Esquire
Carl J. Zwick, Esquire
McNees Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108
Counsel for: *PP&L Industrial Customer Alliance*

Eric Joseph Epstein, *Pro Se*
4100 Hillsdale Road
Harrisburg, PA 17112

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



James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066
E-Mail: JMullins@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