



Duquesne Light
Our Energy...Your Power

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August 22, 2011

VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

Re: Smart Meter Procurement and Installation Tentative Order
Docket No. M-2009-2092655

Dear Secretary Chiavetta:

Please find enclosed for filing Duquesne Light Company's Comments in response to the Tentative Order entered July 8, 2011 in the above-captioned proceeding.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'G. Jack', written over a printed name.

Gary A. Jack

cc: Kriss Brown (via email)
Annunciata E. Marino (via email)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Smart Meter Procurement and Installation Tentative Order : **Docket No. M-2009-2092655**
:

**COMMENTS OF
DUQUESNE LIGHT COMPANY**

I. Introduction

The Pennsylvania Public Utility Commission (“PUC” or “Commission”) adopted a Tentative Order (hereinafter “Tentative Order” or “Order”) on June 30, 2011 with respect to Smart Meter Procurement and Installation and the role of Electronic Data Exchange Working Group (EDEWG) and covered electric distribution companies (EDCs) in the development of statewide smart meter data exchange standards and formats. Order, p. 2. The Commission had previously issued a Smart Meter Procurement and Installation Implementation Order on June 18, 2009, which was intended to establish the standards that each Smart Meter Plan submitted per Act 129 of 2008 must meet and to provide guidance on the procedures to be followed for submittal, review and approval of all aspects of each smart meter plan. Order, p. 1-2. In furtherance of the Implementation Order, EDEWG submitted a Preliminary Proposal for the Development of Smart Meter Data Exchange Standards. Order, p. 2. Duquesne Light Company (“Duquesne” or “Duquesne Light” or “Company”) is an active participant in EDEWG.

Pursuant to this present Order, the Commission seeks comments on the proposed electronic data interchange (EDI) capabilities to be developed and reported by EDEWG. Order, p. 10.

Duquesne Light submitted a Smart Meter Procurement and Installation Plan (“SMPI Plan”, “Smart Meter Plan” or “Plan”) on August 14, 2009, which was subsequently approved by the Commission, with minor modifications, on May 11, 2010. As such, Duquesne Light has an interest in this matter, and therefore provides comments on the Order as detailed below. Further, Duquesne Light has reviewed the comments filed by the Energy Association of Pennsylvania (EAPA) and supports those comments.

II. Comments

General Comments

Duquesne Light is concerned with the Tentative Order’s attempt to create binding standards and deadlines to Duquesne’s approved SMPI Plan without the normal legal process. Within the Tentative Order, the Commission does not appear to utilize required adjudication or adoption of regulations in order to create binding standards. PHRC v. Norristown Area School District, 374 A.2d 671, 679 (Pa. 1977) (“[a]n administrative agency has available two methods for formulating policy that will have the force of law. An agency may establish binding policy through rulemaking procedures by which it promulgates substantive rules, or through adjudications that constitute binding precedents.”). Thus, the Company questions the ability to set and impose standards and deadlines without a formal adjudication or rulemaking.

Aside from the legal issues, however, the various deadlines within the Tentative Order, triggered by the entry of a Final Order in this proceeding, are most likely not feasible for Duquesne to meet. Each EDC has unique characteristics and a separate and individual approved smart meter plan. So other EDCs may or may not have the timing problems under the Tentative Order that Duquesne faces. Duquesne Light requests that

the deadlines for implementation of any defined solution should be tailored to each EDCs smart meter plan.

Duquesne Light is in the process of upgrading its customer and metering systems as part of Phase 1 of the SMPI Plan that was approved by the PUC in the order issued May 11, 2010. These upgrades are critical to Duquesne's capability to provide third party access to smart meter data, and deviations to our SMPI Plan could add significant risk and cost to the project.

It is important that the PUC and parties realize that Duquesne Light is obligated to provide solutions as part of its final proposed SMPI Plan to the Commission by December 31, 2011. The Company has spent a significant amount of time and money toward this deadline and its Plan as a whole. This major filing will detail Duquesne's entire Plan for PUC review and approval. In this Tentative Order, many complex issues are assigned to EDEWG for analysis, review, and recommendation. Recommended solutions by EDEWG may eventually be presented to the Commission for its review and approval. Duquesne feels certain that EDEWG will not have answers to these many questions by December 31, 2011, if at all. Importantly there is a legitimate question raised by many EDCs regarding whether EDEWG is the correct forum to handle the tasks set forth in the Tentative Order. Accordingly, Duquesne needs to continue to progress with its analysis and developing its smart meter solutions to propose to the Commission for adoption. Thereafter, should state-wide or uniform solutions become available, Duquesne would plan on reviewing those solutions and decide, with PUC input if needed or advisable, whether it should alter its SMPI Plan and adopt alternate solutions. Some costs will have most likely already have been incurred by Duquesne as part of its Plan in

order to implement solutions to accommodate EDI as required by its Plan milestones. While Duquesne will review future options, in the interim, Duquesne needs to proceed with developing its own SMPI Plan and solution under existing schedules approved by the PUC as part of Duquesne's Smart Meter Plan.

Finally, Duquesne notes that it had an EDI update milestone due to be completed by June 30, 2011 as part of its approved Smart Meter Plan entitled "Establishment of plans to design, test and certify EDI Transactions, Web Access and Direct Access capability consistent with Implementation Order." Although not required, Duquesne had intended to make a status update filing on its EDI and Web access decisions with the Commission on June 30, 2011. However, the adoption by the Commission of its Tentative Order on that same day, June 30, 2011, caused Duquesne not to proceed with submittal of this update and to further evaluate the Commission's current views and reconsider its proposed smart meter EDI and Web access filing. These comments will also be filed in Duquesne's smart meter proceeding to serve as an update on this EDI milestone.

Specific Comments

Data Exchange Standards for Current Business Processes

The Implementation Order required EDCs to convey the following data electronically to customers and their designated agents: (1) real-time and time-of-use (TOU) prices; (2) historical interval usage (HIU); and (3) bill quality interval usage. Order, p. 4. EDEWG in its Preliminary Proposal asserted that the continuation of current EDC business practices is capable of handling the meter data access requirements. Id.

Real-Time and Time-of-Use Prices

Duquesne Light concurs with the Preliminary Proposal, and maintains that enrollment of customers into real-time and TOU pricing programs is not an EDI function, but that use of the existing 814 Enrollment Request transaction is capable of supporting enrollment of customers into similar pricing programs offered by an EGS. Tentative Order, p. 4. Duquesne Light provides Rate Ready billing and is one of the EDCs that already does and will continue to enroll customers utilizing the appropriate Rate-Ready rate code. Order, p. 4. The Company supports the Commission's statement in the Tentative Order that "these current practices of providing Dual Billing and Bill Ready Consolidated Billing should be approved for the enrollment and billing of EGS customers who purchase service under a real-time and time-of-use pricing option for all EDCs," provided that the Company can continue its current practices to meet this requirement. Order, p. 5. However, as detailed above, the Company does not concur that the proposed timeframe to submit the appropriated EDI change control requests for the appropriate EDI transaction to EDEWG within 30 days of the entry of a Final Order in this proceeding is appropriate or worthwhile given the fact that Duquesne is in the middle of a process to replace its entire CC&B system. Any such deadlines should be incorporated into each EDC into its Smart Meter Plan to tailor implementation to an EDC's Smart Meter Plan.

Historical Interval Usage

The Preliminary Proposal stated that the existing 867 HIU transaction meets the requirement of the Implementation Order, but given various factors, that EDEWG

explore alternative methods of provision of HIU data at the meter level. Tentative Order, p. 5. The Commission indicated that given cost factors, EDEWG should explore its options with covered EDCs, and identify an alternate solution that can be implemented by the EDCs within 180 days of the entry of the Final Order in this proceeding. Tentative Order, p. 5. Duquesne Light does not currently have 867 HIU transaction functionality. The Company does not object to exploring alternative solutions as we feel EDI is not an efficient or economical solution for providing historical interval data to EGS's or CSP's. Duquesne feels that developing a process for providing this information to EGS's via the web in a standardized uniform way that they can download is a solution worth pursuing with EDEWG or any other group more suited to work collaboratively in this regard. As previously stated, the implementation of any solution should be based upon each individual Smart Meter Plan.

Bill Quality Interval Usage

Within the Tentative Order, the Commission agreed with the Preliminary Proposal to meet the requirement of the Implementation Order for the development and implementation of an EDI transaction for the exchange of monthly bill-quality interval usage data that has been recorded at the meter level with an 867 IU transaction. Order, p. 6. The Commission proposes within the Tentative Order that EDCs should complete system changes and testing of the modified 867 IU no later than 12 months prior to the expiration of the respective 30-month grace period in each EDCs approved smart meter plans. Order, p. 6. Duquesne Light does not currently provide data at the meter level, but rather provides such bill-quality interval usage data at the account level. As a result, the Company does not support the timeframe suggested. The Company is in the process of

enhancing its CC&B system, with completion in January 2013. The timeframe set forth by the Commission in this Tentative Order would require the Company to make these 867 IU system modification by November 2011 (or in three months), as the Company's grace period concludes in November 2012. It would not be productive or feasible time-wise to complete the system changes in three months ---- and some 15 months before a new system is installed. Duquesne would propose that it roll out this change from account level to meter level as part of its Smart Meter Plan with an expected date of completion of 2013.

Data Exchange Standards for New Business Processes

In accordance with the Implementation Order and the Preliminary Proposal, the Commission proposed in the Tentative Order that "the identification and development of new standards and formats to support Act 129 smart meter statutory requirements, along with the ongoing maintenance of existing standards and processes for this purpose, be developed by EDEWG and presented to the Commission for review." Order, p. 8. The Commission further proposed that "the development and ongoing maintenance of these standards and processes be done in a manner that includes all EDEWG participants, specifically, all EDCs, licensed EGSs, registered CSPs, and all other interested parties." Order, p. 8. Duquesne Light supports the review and efforts, and plans to be an active participant in this analysis. Duquesne Light believes that it is prudent to follow the standards set forth by the North American Energy Standards Board (NAESB), which is currently in the process of examining standards for standardization of third party access.

Timeline for Development of Smart Meter Data Exchange Standards

With the Tentative Order, the Commission attempted to clarify its expectations of the EDEWG team that is working on smart meter interaction with customers and their representatives. Order, p. 9. The Commission sets forth various items addressing “Required Functionality” and “Standardization Efforts.” Duquesne Light supports EDEWG’s review of these items. However, the Company is obligated to provide solutions and a detailed Smart Meter Plan to the Commission by December 31, 2011. This major filing will detail Duquesne’s entire Plan for review and approval. Duquesne feels certain that EDEWG will not have answers to these many questions, if at all. Accordingly, Duquesne needs to continue to progress with its analysis and developing solutions to propose to the Commission for adoption. Should thereafter state-wide or EDEWG solutions become available, Duquesne will review those solutions and decide, with PUC input if needed or advisable, whether it should alter its Plan and adopt different options. But, in the interim, Duquesne will need to proceed with developing its own Smart Meter Plan and solution.

III. Conclusion

Duquesne Light appreciates the opportunity to comment on this matter and asks that the Commission please consider the Company’s comments set forth above.

Respectfully Submitted,



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Dated: August 22, 2011