



COMMONWEALTH OF PENNSYLVANIA

March 20, 2013

E-FILED

Rosemary Chiavetta, 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
Universal Deployment Plan
Docket No. M-2009-2123944**

Dear Secretary Chiavetta:

Enclosed are two copies of the Prehearing Memorandum on behalf of the Office of Small Business Advocate.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Rose Triscari".

Elizabeth Rose Triscari
Assistant Small Business Advocate
Attorney ID No. 306921

Enclosures

cc: Parties of Record

Robert D. Knecht

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PECO Energy Company for :
Approval of its Smart Meter Universal : DOCKET NO. M-2009-2123944
Deployment Plan :**

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Elizabeth Rose Triscari. Please address all correspondence in this matter as follows:

Elizabeth Rose Triscari
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II. FILING BACKGROUND

On January 18, 2013, PECO Energy Company (“PECO” or “Company”) filed a petition with the Commission seeking approval of its Smart Meter Universal Deployment Plan (“Universal Deployment Plan”). The Universal Deployment Plan implements the second phase of PECO’s Smart Meter Technology Procurement and Installation Plan (“Smart Meter Plan”).

The OSBA filed a Notice of Appearance in the above-captioned proceeding on March 1, 2013.

The Office of Consumer Advocate filed an Answer to PECO’s petition on February 7, 2013.

Petitions to Intervene have been filed by Direct Energy Services, LLC and the Philadelphia Area Industrial Energy Users Group (“PAIEUG”).

By notice dated February 19, 2013, an Initial Prehearing Conference was scheduled for March 22, 2013, and Administrative Law Judge (“ALJ”) Angela T. Jones was assigned to this proceeding. ALJ Jones issued a Prehearing Conference Order on February 26, 2013. The OSBA submits this prehearing memorandum in accordance with that Order.

III. WITNESS

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
(617) 354-0463 – Fax
rdk@indecon.com

The OSBA requests that all parties serve copies of all documents, including discovery, testimony and briefs, upon Mr. Kalcic, simultaneously with service upon the OSBA.

IV. IDENTIFICATION OF ISSUES

The OSBA will participate in this proceeding to ensure that the interests of PECO' small business customers are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties, primarily through discovery, cross-examination of witnesses appearing for those parties, filing of testimony, and briefing of the issues that arise in this proceeding.

The OSBA will particularly focus on issues where the impact upon the interests of the Company's small business customers would be unjustifiably different from or disproportionate to the impact on other classes of customers, or is otherwise lacking in reasonableness or basic fairness.

At this time, after an initial review of the materials submitted by PECO, the OSBA is concentrating on the following issues:

1. Whether the costs that the Company seeks to recover are "reasonable and prudent," as required by Section 2807(f)(7) of the Public Utility Code, 66 Pa. C.S. §2807(f)(7);
2. Whether the overall plan cost is being reduced to reflect "operating and capital cost savings," as required by Section §2807(f)(7);
3. Whether the Company's decision to procure Sensus meters was reasonable and prudent, and whether the proposed deferral of costs associated with faulty meters is reasonable;
4. Whether the Company's claims for incremental depreciation and corporate income tax increases related to the early retirement of existing meters are reasonable;

5. Whether the Company has reasonably evaluated the net benefit to customers associated with the expeditious implementation of smart meters; and
6. Whether the Company has accurately implemented the Commission's decision in Phase One of the smart meter deployment regarding cost allocation and rate design, and whether the Company will continue to apply those methods for Phase Two.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

V. DISCOVERY

Discovery has been ongoing for several weeks. The OSBA will cooperate with the ALJ and other parties to arrive at mutually agreeable discovery modifications.

VI. SERVICE OF DOCUMENTS

The OSBA agrees to accept electronic delivery of documents on the due date as satisfying the in-hand requirement, *provided that such documents are followed by hard copy delivery to OSBA by first class mail*. Service by electronic mail *only* is not acceptable. The OSBA requests that such hard copies are also provided to its witness identified above.

In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witness identified above.

VII. SETTLEMENT

The OSBA is willing to enter into settlement discussions at the appropriate phase of this proceeding.

VIII. PROCEDURAL SCHEDULE

The OSBA and the other parties to this proceeding have agreed on the procedural schedule proposed by the Company.

Respectfully submitted,



Elizabeth Rose Triscari
Assistant Small Business Advocate
Attorney ID No. 306921

For:

Steven C. Gray
Acting Small Business Advocate
Attorney ID No. 77538

Office of Small Business Advocate
300 North Second Street, Suite 1102
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Dated: March 20, 2013

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Petition of PECO Energy Company for Approval :
of its Smart Meter Universal Deployment Plan : Docket No. M-2009-2123944**

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-filing, e-mail, and/or first-class mail (unless otherwise noted) upon the persons addressed below:

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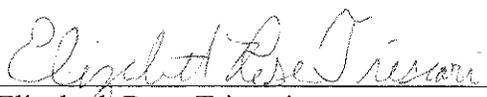
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Date: March 20, 2013


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