



An Exelon Company

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RECEIVED

March 25, 2013

Via Overnight Mail

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

MAR 25 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Adjustment of Meter Testing Protocols to Support Implementation of PECO's Smart Meter Implementation Plan Docket # M-2009-2123944

Dear Secretary Chiavetta:

On October 15, 2008, Governor Edward Rendell signed Act 129 of 2008 ("Act 129") into law. Act 129 required each electric distribution company to develop a smart meter procurement and installation plan to be approved by the Pennsylvania Public Utility Commission ("Commission").

PECO Energy Company ("PECO") filed a petition for approval of its Smart Meter Technology Procurement and Installation Plan ("Plan") on August 14, 2009.¹ As part of the Plan, PECO proposed to install 600,000 smart meters as part of the first phase of its Plan. PECO's Plan, as amended by a settlement, was approved by the Commission on May 6, 2010. Pursuant to the Commission-approved Plan, PECO will test and install the 600,000 smart meters of the first deployment phase by mid-2013. On January 18, 2013, PECO filed its Universal Deployment Plan with the Commission, which sets out PECO's plans to deploy smart meters across its entire service territory, largely by the end of 2014.

PECO previously tested the installed Automated Meter Reading ("AMR") meter population through the Random Sampling and Periodic Testing Meter Sampling programs. Under the Random Sampling Program, PECO randomly selected a prescribed number of meters each year to test for accuracy and viability. Under the Periodic Testing Meter Selection program, PECO tests certain meters according to an established testing cycle for accuracy and viability. This cycle spanned between 8 and 16 years.

By letter dated June 23, 2011, PECO notified the Commission of its intent to conduct testing of all AMR meters that were exchanged with Advanced Meter Infrastructure meters ("AMI" or "smart meters") as part of the smart meter deployment. As noted in the June 23rd letter, the "As Found" testing of every AMR meter that was exchanged for an AMI meter far exceeded the number of meters tested under the normal random and periodic testing program (where PECO tested approximately 4,000 meters annually).

¹ *Petition of PECO Energy Company for Approval of its Smart Meter Technology Procurement and Installation Plan, Docket No. M-2009-2123944.*

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PECO has conducted that total testing of about 300,000 AMR meters exchanged during the smart meter deployment. PECO has discovered no statistically significant difference between testing results of the total AMR population and the results of normal random and periodic testing.

PECO therefore proposes to modify its As Found testing of AMR meters to 5% of the population exchanged for AMI meters. Testing a random sampling of 5% of the total AMR population will still far exceed the number of meters tested under the normal random and periodic testing program.

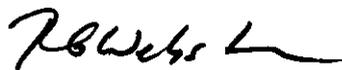
Additionally, PECO will hold all AMR meters for 60 days before releasing the meters for retirement to allow two billing cycles to pass before the meters are retired. If a customer raises a billing issue within 60 days of meter exchange, that meter will be pulled for accuracy testing as well.

PECO believes the benefits of this approach are in the public interest. PECO estimates that testing about 75,000 additional AMR meters instead of the entire remaining population of 1,500,000 meters will result in a savings of \$2.5 million in testing costs. These savings are apart from the cost savings to store large numbers of meters while awaiting testing.

PECO proposes to forgo the random and periodic programs during deployment of smart meters, as PECO's proposed testing program of 5% of the total population exceeded the requirements of the random and periodic programs. PECO would resume the random and periodic testing programs at the conclusion of its AMI deployment.

Please do not hesitate to contact me should you have any questions.

Sincerely,



Richard G. Webster, Jr.
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Regulatory Policy & Strategy

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SECRETARY'S BUREAU

cc: C. Walker-Davis, Office of Special Assistants
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Paul Metro, Bureau of Investigation and Enforcement
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Service List

From: (215) 841-5773
Mike Brennan
PECO
2301 Market St
S15-2
Philadelphia, PA 19103

Origin ID: REDA



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Ship Date: 25MAR13
ActWgt: 0.5 LB
CAD: 9814576/NET3370

Delivery Address Bar Code



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Rosemary Chiavetta
Pennsylvania Public Utility Commiss
2nd Floor North, CKB
400 North St.
Harrisburg, PA 17120

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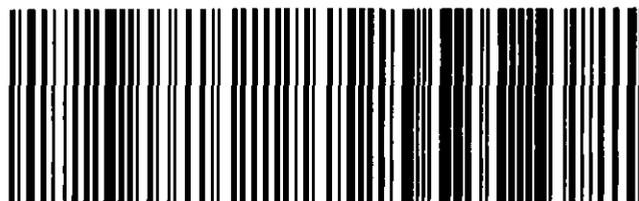
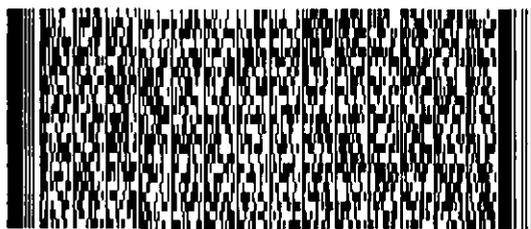
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