

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Petition of Duquesne Light Company For
Approval of Its Final Smart Meter
Procurement and Installation Plan**

**Public Meeting held April 4, 2013
2123948-ALJ
Docket No. M-2009-2123948**

**MOTION OF COMMISSIONER WAYNE E. GARDNER and
COMMISSIONER JAMES H. CAWLEY**

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition of Duquesne Light Company (Duquesne) seeking approval of its Final Smart Meter Plan (SMP), the Initial Decision of Administrative Law Judge Katrina L. Dunderdale, dated January 14, 2013, and the unopposed Petition for Approval of Settlement between Duquesne and the Office of Consumer Advocate, filed on December 7, 2012. The parties are to be commended for reaching an amicable settlement on such a complex filing.

Despite these efforts, however, several issues remain to be addressed in order for Duquesne's SMP to comply with its statutory objectives. Pursuant to Act 129 of 2008, Smart Meter Technology must enable the use of time-of-use (TOU) rates and real time pricing (RTP). 66 Pa. C.S. § 2807(g). Customers can elect to participate in time-of-use rates and real time pricing. See 66 Pa. C.S. § 2807 (f) (5). In our Smart Meter Implementation Order, we established additional meter capability requirements, including among other things that the smart meter must have the capability to support the net metering of customer generators.¹ It is unclear whether Duquesne's SMP satisfies these criteria.

To satisfy the statutory smart meter capability requirements and requirements set forth in the *Implementation Order*, it is necessary that Duquesne's SMP provide for changes to Duquesne's settlement and customer profile processes. Currently, for monthly metered customer accounts, Duquesne uses a standard customer class average profile when allocating energy costs to customers. Individual customer hourly usage is interpolated from this standard class profile. As such, if an individual customer reduces usage during an on-peak hour, that monthly metered customer does not get the benefit of any cost savings for that on-peak reduction when Duquesne allocates hourly energy payment responsibility to the electric generation supplier serving that customer. This is why TOU rates and RTP programs cannot be effectively implemented without using hourly interval meters.

However, the meter alone is not enough for Duquesne to be capable of providing TOU rates and RTP and supporting net metering of customer-generators. Duquesne must also modify its settlement processes to allocate energy to each customer according to their actual usage profile, for each hour, as recorded by the installed smart meter. This is exactly what Duquesne does for its existing large customers with currently installed interval meters. Without adjusting the settlement and profiling processes, incentives and efforts for customers to receive TOU and

¹ *Smart Meter Procurement and Installation Implementation Order*, Docket No. M-2009-2092655 (June 24, 2009). (*Implementation Order*).

RTP offers, as well as the successful marketing of net metering offers will be thwarted, in contravention of the statute and the Implementation Order.

Duquesne proposes to gradually install smart meters between 2014 and 2020. Because of this long installation period, it will be necessary for Duquesne to implement these settlement and profiling process changes prior to the completion of all smart meter installations. Accordingly, Duquesne should file a supplemental SMP with the Commission providing a reasonable period, after installation of each smart meter, in which it will ensure that each customer gets its energy and capacity assignments based on the actual hourly energy usage of that customer. Customers should not be forced to wait years to be capable of receiving TOU, RTP and net metering pricing products.

The second unresolved issue with Duquesne's SMP relates to third-party access to customer meter data. This filing is designed as Duquesne's "Final Smart Meter Procurement and Installation Plan." Duquesne's SMP properly provides for the development of a web portal for the purpose of efficiently sharing certain limited customer authorized usage and service data with service providers of that customer.² However, the SMP does not provide the specifics of the web-based solution or how and when it will implemented.

By Order entered on December 6, 2012, in Docket No. M-2009-2092655, the Commission directed the Electronic Data Exchange Working Group (EDEWG) to initiate a web-portal working group to develop a standardized solution for acquisition of interval usage data via a secure web-portal. It is our expectation that Duquesne and the other EDCs will be directed to update their smart meter technology and implementation plans when the work of this web-portal group has concluded. Any such updates would be for the purpose of implementing a standardized web-based solution, arising out of the working group and approved by the Commission, to provide authorized third parties with secure access to customer interval usage data.

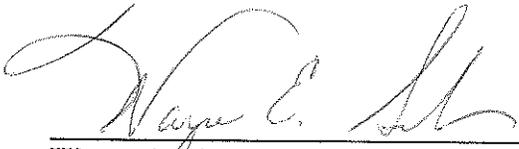
Finally, we note that the Commission directed that each plan shall include the individual costs for deploying and operating nine additional smart meter technology capabilities. *Implementation Order* at 30. Duquesne has indicated that the cost of fully implementing the Voltage Monitoring and Communication of Outages and Restorations capabilities is not justified at this time; however, Duquesne failed to provide specific cost effectiveness data supporting its decision not to include these capabilities in the SMP.³ Based on the record as developed, we are unable to determine whether Duquesne's circumstances merit a waiver of these capabilities.

² Information sharing does not include sensitive customer financial data. Data access is limited to usage data required to efficiently and accurately price service offerings to customers.

³ The Commission directed that deployment and operating costs of the additional capabilities be presented including a breakdown of all incremental costs and any associated potential operational and maintenance cost savings. *Id.* "All cost estimates must be supported by estimates from at least two vendors where available. To the extent that an EDC or another party demonstrates that a particular Commission imposed requirement is not cost-effective, the Commission will have the option of waiving a particular requirement for that EDC or all EDCs." *Id.* at 30-31.

THEREFORE, WE MOVE THAT:

1. The Office of Special Assistants prepare an Order consistent with this Motion.
2. Duquesne Light Company make a compliance filing within ninety (90) days, specifying its proposed changes to settlements and profile processes, and providing data supporting whether or not inclusion of the Voltage Monitoring and Communication of Outages and Restorations capabilities are cost effective.



Wayne E. Gardner, Commissioner



James H. Cawley, Commissioner

Date: April 4, 2013