



17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
717-731-1970 Main
717-731-1985 Main Fax
www.postschell.com

Michael W. Gang

mgang@postschell.com
717-612-6026 Direct
717-731-1985 Direct Fax
File #: 141701

August 2, 2013

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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Re: Petition of Duquesne Light Company for Approval of its Final Smart Meter Procurement and Installation Plan - Docket No. M-2009-2123948

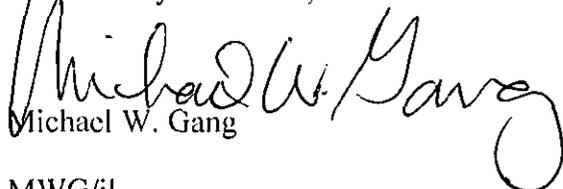
Dear Secretary Chiavetta:

Enclosed, for filing, is the Petition of Duquesne Light Company ("Duquesne Light" or the "Company") to Amend Order Approving Settlement ("Petition") in the above-referenced proceeding.

In the Petition, Duquesne Light is requesting that the Pennsylvania Public Utility Commission's ("Commission") Order approving the Company's Final Smart Meter Procurement and Installation Plan be amended, to the extent necessary, to permit the Company to recover all of its FOCUS costs in base rates, exclusive of costs that have been recovered through the Company's Smart Meter Charge. To the extent that any party opposes the relief requested in this Petition, Duquesne Light requests that the Commission consolidate the Petition with the Company's distribution rate proceeding that is being filed contemporaneously at Docket No. R-2013-2372129.

Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,


Michael W. Gang

MWG/jl

Rosemary Chiavetta, Secretary
August 2, 2013
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Enclosures

cc: Certificate of Service

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company for :
Approval of its Final Smart Meter : Docket No. M-2009-2123948
Procurement and Installation Plan :

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**PETITION OF DUQUESNE LIGHT COMPANY
TO AMEND ORDER APPROVING SETTLEMENT**

Duquesne Light Company (“Duquesne Light” or the “Company”), by its undersigned counsel, requests that the April 4, 2013 Order of the Pennsylvania Public Utility Commission (“Commission”) approving the Company’s Final Smart Meter Procurement and Installation Plan (“Final Smart Meter Plan”) be amended, to the extent necessary, to permit the Company to recover in base rates costs for the implementation of the Company’s new FOCUS project, as described below, that were previously authorized for recovery under the Smart Meter Charge. The Company seeks this relief because these IT systems are expected to be in service during the Fully Projected Future Test Year (“FPFTY”) of its base rate proceeding filed on August 2, 2013, at R-2013-2372129.

In support of this Petition, Duquesne Light represents as follows:

I. HISTORY OF PROCEEDING

1. On June 29, 2012, Duquesne Light filed its Petition for Approval of its Final Smart Meter Plan. OCA and Citizens Power filed Answers.
2. On August 17, 2012, the Commission notified Parties by Secretarial Letter that the matter had been assigned to the Office of Administrative Law Judge.
3. On December 7, 2012, the Parties filed a Joint Petition for Approval of Settlement (the “Settlement”).

4. On June 14, 2013, Administrative Law Judge Katrina L. Dunderdale (the “ALJ”) issued an Initial Decision approving the Settlement.

5. The Commission exercised its right to review the Initial Decision pursuant to Section 332(h) of the Public Utility Code, 66 Pa.C.S.A § 332(h) and approved the Settlement with certain modifications by Order of April 4, 2013.

II. AMENDMENT TO ORDER APPROVING FINAL SMART METER PLAN

6. Duquesne Light’s Final Smart Meter Plan includes two components: 1) the FOCUS Project and 2) Advanced Metering Infrastructure (“AMI”) installation¹. Under the FOCUS Project, the Company is replacing its Customer Information System (“CIS”) with new Oracle systems including Customer Care and Billing (“CC&B”), Mobile Workforce Management (“MWM”) and Meter Data Management (“MDM”) systems. The Company is also implementing a new Interactive Voice Response (“IVR”) system, a Web Self-Service Portal (“WSS”) and a Systems Oriented Architecture (“SOA”).

7. The Company is in the process of developing and implementing its FOCUS (“For Our CUStomers”) project. The Focus project encompasses significant upgrades to the Company’s existing IT system architecture in order to provide the back-office foundation necessary to successfully deploy, among other things, Smart Meters in accordance with ACT 129 and Commission requirements. Duquesne Light’s current CIS must be replaced in order to meet ACT 129 and Commission Smart Meter Implementation Order requirements. Enhancements such as time-of-use (“TOU”) rates; real-time price (“RTP”) programs; *remote disconnect and*

¹ The AMI system will consist of four primary components: (1) a Head-End Data Collection System, (2) new ITRON Smart Meters that have Zygbee wireless technology; (3) a Local Area Network that allows smart meters to communicate with other meters and/or collection points throughout the service territory, and (4) a Wide Area Network which is the communication pathway from the collectors/towers located throughout the Company’s service territory to the AMI Head-End System. Duquesne Light is not proposing any changes to its recovery of AMI costs through the Smart Meter Charge in this petition.

reconnect; direct access to price and consumption information; and the automatic control of customer's electric consumption cannot be supported by Duquesne Light's existing CIS. Furthermore, Duquesne Light's existing back-office IT architecture is not designed for the proliferation of data inherent in providing hourly or even more granular interval usage information to all of our customers on a daily basis. Therefore, in conjunction with replacing the CIS with the CC&B system, Duquesne Light must implement an MDM system as well as integrate this new system with the replacement CIS.

8. In its Final Smart Meter Plan, Duquesne Light proposed to continue recovery of costs of developing and implementing smart meters technology in the Smart Meter Charge ("SMC") ". . . until the first base distribution rate case after the final smart meter is installed and fully functional . . .". Duquesne Light St. No. 2, p. 7.

9. Duquesne Light's Final Smart Meter Plan provides for recovery of all smart meter costs under the smart meter charge including the return and depreciation on the capital costs to be expended on back office systems to support smart meter functionality. *Petition of Duquesne Light Company for Approval of Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2009-2123948, Order entered May 11, 2010, p. 24; Duquesne Light St. No. 2, pp. 7-9. However, as explained the Final Smart Meter Plan, there are components of the FOCUS project that are not directly related to the smart meter deployment and that are not eligible for recovery under the Smart Meter Charge. *Petition of Duquesne Light Company for Approval of Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2009-2123948, Final Smart Meter Plan, p. 10.

10. The FOCUS project is expected to be in service in the second quarter of 2014, at or near the beginning of the FPFTY in the base rate case. Because the FOCUS project will be in

service in the FPFY and reflects investment for both smart meter and non-smart meter technology, Duquesne Light has included the full expenditures for the FOCUS project in the rate base in the base rate proceeding at R-2013-2372129, less operations and maintenance expenses previously recovered through the SMC. No capital costs for FOCUS have been included in the Smart Meter Charge to date as the project is not yet in service.

11. Duquesne Light, therefore, proposes to recover all the FOCUS project costs in base rates, exclusive of portions recovered through the SMC.² All other smart meter costs will continue to be recovered in the Smart Meter Charge. Duquesne Light seeks modification of the smart meter recovery provisions of the Order of April 4, 2013, to the extent necessary.

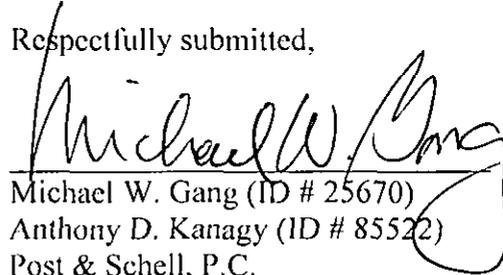
III. PROCEDURAL MATTERS

12. To the extent that any Party opposes the relief requested in this Petition, Duquesne Light requests that the Commission consolidate the Petition with the Company's base rate proceeding at R-2013-2372129 that is being filed contemporaneously.

² The current estimate of FOCUS costs is approximately \$115 million.

WHEREFORE, Duquesne Light Company requests that the Pennsylvania Public Utility Commission modify or clarify its Order of April 4, 2013, at Docket No. M-2009-2123968, to the extent necessary to permit the recovery of all FOCUS project capital costs in base rates.

Respectfully submitted,



Michael W. Gang (ID # 25670)
Anthony D. Kanagy (ID # 85522)
Post & Schell, P.C.
17 North Second Street
12th Floor
Harrisburg, PA 17101-1601
Phone: 717-731-1970
Fax: 717-731-1985
E-mail: mgang@postschell.com
E-mail: akanagy@postschell.com

Tishekia E. Williams (ID # 208997)
Duquesne Light Company
411 Seventh Avenue, 16th Floor
Pittsburgh, PA 15219
Phone: 412-393-1541
Fax: 412-393-5757
E-mail: twilliams@duqlight.com

Post & Schell, P.C.

Date: August 2, 2013

Attorneys for Duquesne Light Company

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA HAND DELIVERY

Johnnie E. Simms, Esquire
Director
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
PO Box 3265
Harrisburg, PA 17105-3265

Tanya J. McCloskey, Esquire
Senior Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

John R. Evans
Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, PA 17101

Pamela C. Polacek
McNees, Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

VIA FIRST CLASS MAIL

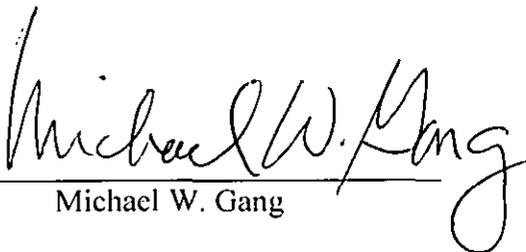
Scott J. Rubin
Public Utility Consulting
333 Oak Lane
Bloomsburg, PA 17815

Theodore S. Robinson
Citizen Power
2121 Murray Avenue
Pittsburgh, PA 15217

Christopher O'Hara, Esquire
NRG Energy Inc.
211 Carnegie Center Drive
Princeton, NJ 08540

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