March 12, 2014

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:

On March 6, 2014, PECO Energy Company (PECO or Company) filed a letter with the Pennsylvania Public Utility Commission regarding the Company’s ongoing smart meter implementation and cost recovery. Specifically, the March 6 filing provides a framework for crediting customers with the value achieved through a settlement with Sensus USA, Inc. (Sensus) for reimbursement of costs incurred by PECO. The Office of Consumer Advocate has reviewed the Company’s March 6 filing and supports the Company’s proposal on this issue.

On August 15, 2013, the Commission approved a Settlement, joined by the OCA, resolving all issues regarding the Company’s Phase Two Smart Meter Technology Procurement and Installation Plan. Paragraph 16 of the approved Smart Meter Phase II Settlement stated that the “Settlement of the Universal Deployment Plan in no way limits the parties from challenging future cost recovery relating to the AMI meter overheating events of 2012.”

In its March 6 filing, the Company states that the unrecovered net costs of $17 million incurred as a result of these overheating events will not be recovered from residential customers, and that an approximately $16 million credit against the original cost of recoverable Smart Meter plant investment will be applied in its next update of its Smart Meter Cost Recovery Surcharge.
The OCA commends PECO for its work in ensuring reasonable treatment for the costs of these events. The OCA submits that the Company’s ratemaking treatment of costs associated with the meter overheating events is reasonable.

Respectfully Submitted,

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625

Enclosures
cc: Certificate of Service
00180404.doc
CERTIFICATE OF SERVICE

for Approval of Its Smart Meter         :
Universal Deployment Plan               :

I hereby certify that I have this day served a true copy of the foregoing document, the
Office of Consumer Advocate’s Letter, upon parties of record in this proceeding in accordance with
the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon
the persons listed below:

Dated this 12th day March 2014.

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