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August 1, 2016

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

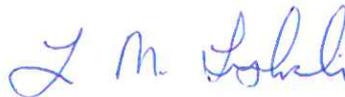
***Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Smart Meter Deployment Plans;
Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993 and
M-2013-2341994***

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company is the 2016 Smart Meter Technology Procurement and Installation Plan Annual Progress Report for the twelve-month period ended June 30, 2016 in the above-referenced proceeding.

Please contact me with any questions you may have. Copies of this filing have been served as indicated in the attached certificate of service.

Very truly yours,



Lauren M. Lepkoski

dln
Enclosures

c: The Honorable Elizabeth H. Barnes (via email and first class mail)
The Honorable Katrina L. Dunderdale (via email and first class mail)
The Honorable Dennis J. Buckley (via email and first class mail)
Bureau of Audits (via first class mail)
Bureau of Technical Utility Services, Reliability and Emergency Preparedness
Section (via first class mail)
Certificate of Service

**Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Metropolitan Edison Company
Pennsylvania Electric Company
Pennsylvania Power Company
West Penn Power Company**

**Docket No. M-2013-2341990
Docket No. M-2013-2341994
Docket No. M-2013-2341993
Docket No. M-2013-2341991**

**2016
ANNUAL PROGRESS REPORT
SMART METER TECHNOLOGY PROCUREMENT
AND INSTALLATION PLAN**

(For the Twelve-Month Period Ended June 30, 2016)

August 1, 2016

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I. INTRODUCTION

Pursuant to the Implementation Order entered by the Pennsylvania Public Utility Commission (“Commission”) on June 24, 2009, at Docket No. M-2009-2092655,¹ Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn Power Company (“West Penn Power”) (collectively, the “Companies”) submit this progress report (“Progress Report”) for the twelve-month period ending June 30, 2016 (“Reporting Period”). This report provides an update on events that have taken place since the Companies’ last report submitted on August 3, 2015, which covered the twelve-month period ending June 30, 2015, at Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993 and M-2013-2341994.

I.1 DEPLOYMENT AND SOLUTION VALIDATION STAGE

The Companies’ approved Revised Deployment Plan² continues to be executed as part of the Smart Meter Implementation Plan (“SMIP”). Consistent with this plan, the eighteen-month Solution Validation Stage, referred to as the Solution Validation Period (“SVP”), was successfully completed in the Penn Power service territory on December 31, 2015.

SVP incorporated three major activities: the build-out of the infrastructure needed to support the bi-directional communication with smart meters; the deployment of approximately 163,000 smart meters; and a testing period in which a “mini system” of the end-to-end smart meter solution was constructed and tested prior to the commencement of Full-Scale Deployment in the Met-Ed, Penelec, and West Penn Power service territories. The Companies successfully tested meters in a non-production “mini-system” and resolved a number of system problems in a controlled environment before beginning Full-Scale Deployment. The SVP also allowed the Companies to confirm business readiness, regulatory readiness, solution readiness, technical readiness, operational readiness, integration readiness, and cutover readiness, which in turn taught the SMIP team a number of lessons and confirmed certain assumptions. The following actions by the Companies are consistent with these lessons learned and key assumption confirmations during SVP:

- Build the network ahead of meter deployment to result in high communication rates after meters are deployed;
- Focus on where mitigation is needed once meter deployment saturation is completed;
- Assess customer service entrance conditions prior to smart meter installations to help ensure safety and operational effectiveness;
- Use testing and functionality results from Penn Power deployment to prepare Full-Scale Deployment;
- Design and staff a strong Smart Meter Operations Center (“SMOC”);
- Leverage the SMOC to perform network troubleshooting and assist in mitigation;
- Leverage the already existing cooperative environment between the SMIP workstreams and IT;
- Work together across all workstreams, regardless of company or vendor, to prepare, deliver, and operate the systems necessary for smart metering;

¹ *In re Smart Meter Procurement and Installation*, Docket No. M-2009-2092655 (Order entered June 24, 2009) (“Implementation Order”), p. 14.

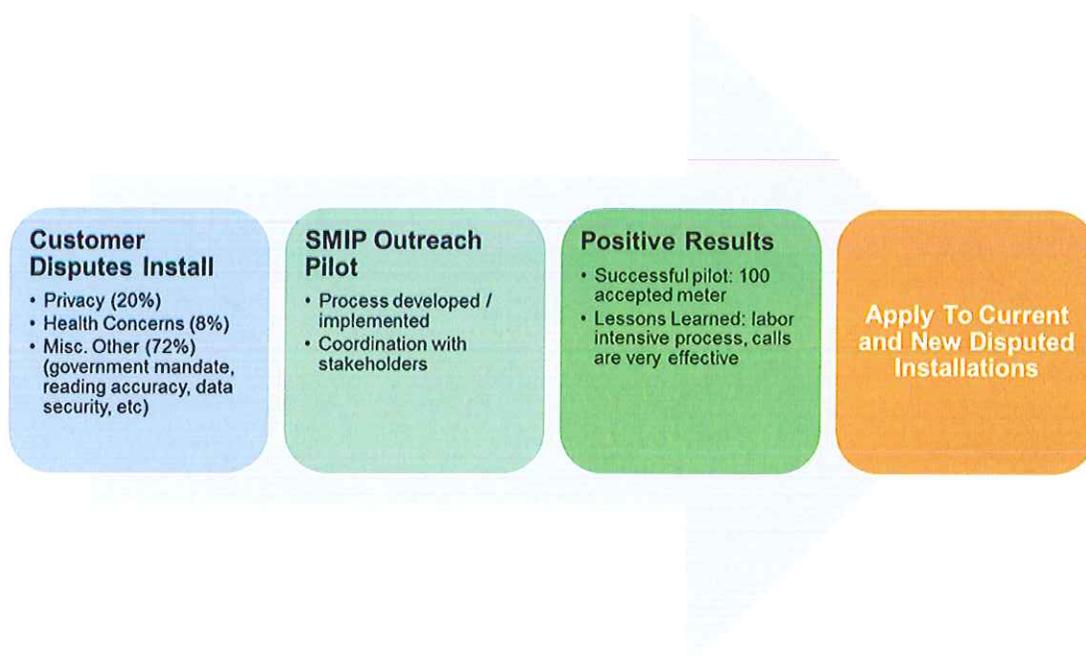
² *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company For Approval of Their Smart Meter Deployment Plan*, Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993, and M-2013-2341994 (Order entered June 25, 2014).

- In addition to validating the “mini-system,” validate business processes, accounting, and business case assumptions; and
- Execute, and continue to improve upon, effective internal and external communication plans.

In addition, during SVP, two issues arose related to disputed installations and 60 Amp meter socket and other round socket repairs. Both issues are discussed below.

Disputed Installations: During the SVP, certain customers refused a smart meter installation. After discussing the issue of disputed installations with other Pennsylvania utilities and meeting with the Office of Consumer Advocate (“OCA”) and Commission staff, the Companies developed a pilot process for resolving disputed installations (“Disputed Installation Pilot”), which was then shared with the Companies’ stakeholder group prior to implementation. The Disputed Installation Pilot involved a multi-step process beginning with a warm-outreach to customers who refused a smart meter installation. This outreach was followed by a session where representatives from the Companies listened to customers’ concerns and provided them with additional information targeted at their specific concerns. During the pilot period, 100 of the disputed installations were successfully resolved.

Figure 1: Disputed Installation Pilot



Based on the result of the Disputed Installation Pilot, the Companies refined the process and began implementing the pilot strategy system-wide during Full-Scale Deployment in the other Companies’ service territories. 0.3% of our deployed meters have been disputed but ultimately exchanged following this process.

Meter Socket Repairs: During the SVP, the Companies discovered that a number of 60 Amp and other round meter sockets were in need of repair in order to connect smart meters. Although such sockets are on the customer side of the meter, the Companies’ Revised Deployment Plan permits the Companies to complete such repairs as part of the smart meter installation process. During the SVP, the Companies

began replacing all such meter sockets with 100 Amp meter enclosures. As the Companies enter Full-Scale Deployment, the Companies estimate that approximately 75,000 meter sockets will need to be replaced throughout the Companies' service territories and it is now likely that the Companies will exceed the estimated costs for maintenance/repair work identified in the Revised Deployment Plan³. The Companies informed both the Commission Staff and other customer advocates of this replacement. On June 27, 2016, the Companies submitted a letter to the Commission providing this update on meter socket replacements to the Commission. To date, no party has objected to this letter or the Companies' replacement of these sockets.

With the successful completion of the Solution Validation Stage, Full-Scale Deployment commenced in January 2016. During this stage, the remainder of smart meter infrastructure is being concurrently built in each of the other three Companies' service territories. The Companies expect to install approximately 98.5% of all meters by mid-2019, with the remaining 1.5% of the meters to be installed thereafter by December 31, 2022.⁴

As of June 30, 2016, approximately 463,000 meters and 760 field area network ("FAN") pieces of equipment which are comprised of connected grid routers ("CGRs") and range extenders ("REs"), along with the related infrastructure have been deployed based on the following Company breakdown:

	Meters	CGRs	REs
Met-Ed	35,520	98	0
Penelec	157,140	212	0
Penn Power	171,750	115	258
West Penn Power	98,800	77	0
Total	463,210	502	258

As of June 30, 2016, the Companies have spent a total of \$322.4 million, with \$198.1 million representing capital costs and \$124.3 million representing operations and maintenance ("O&M") expenses, as further detailed below.

	Capital (\$ million)	O&M (\$ million)	Total (\$ million)
IT Hardware / Software	\$ 53.5	\$ 11.1	\$ 64.6
IT Labor / Contractor	\$ 30.9	\$ 14.5	\$ 45.4
Bus. Unit Labor / Contractor	\$ 0.1	\$ 77.0	\$ 77.1
Bus. Unit Other	\$ 1.5	\$ 16.9	\$ 18.4
Meter Installation / Network Install	\$ 112.1	\$ 4.8	\$ 116.9
Total	\$ 198.1	\$ 124.3	\$ 322.4

Figures 2, 3 and 4 depict the 2016 deployment schedule maps for the Met-Ed, Penelec, and West Penn Power service territories. The deployment schedule maps and the schedules of communities subject to smart meter installations are also included on FirstEnergy's website at:

<https://www.firstenergycorp.com/help/pa-smartmeter/schedule.html>.

³ This replacement falls within the scope of the Revised Deployment Plan.

⁴ The remaining 1.5% to be installed are those installations that may require alternative communication solutions or involve hard-to-access locations.

Figure 2: 2016 Met-Ed Scheduled Exchanges

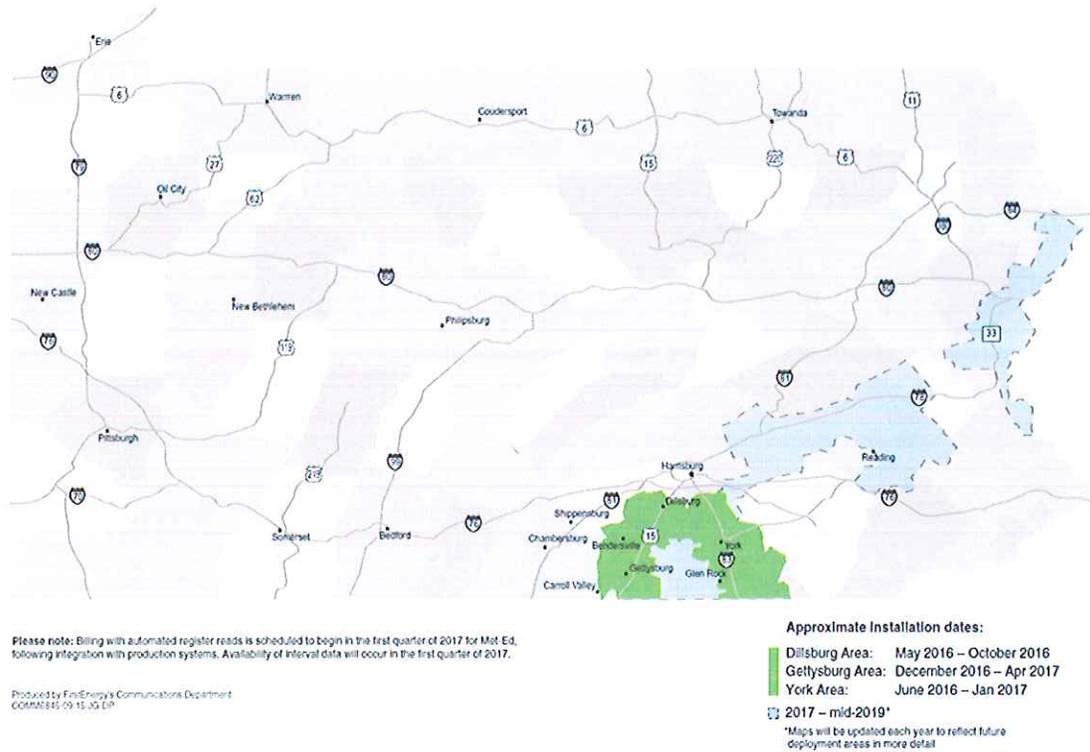


Figure 3: 2016 Penelec Scheduled Exchanges

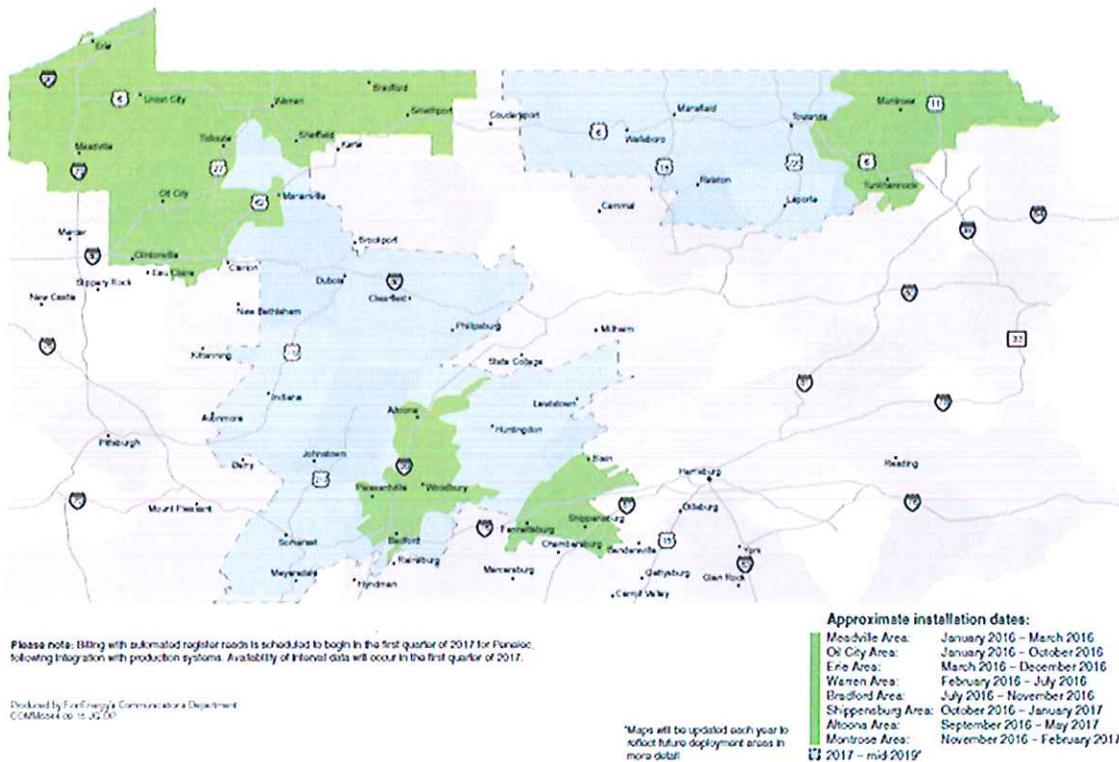
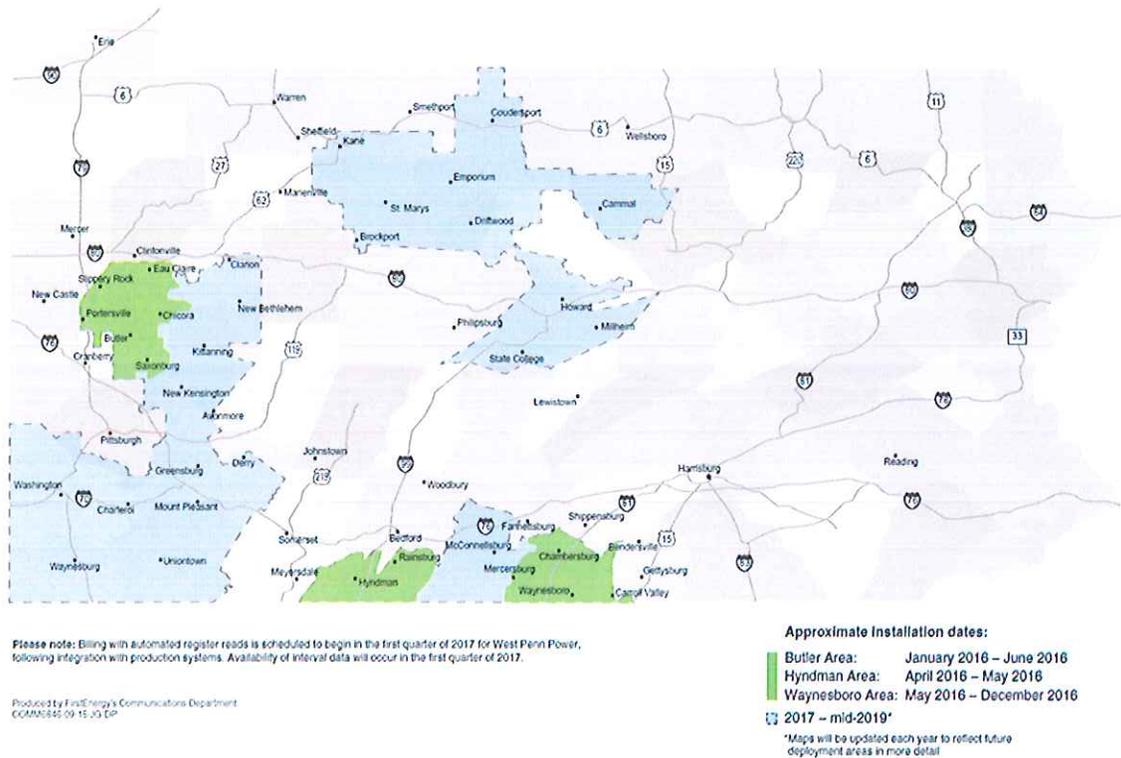
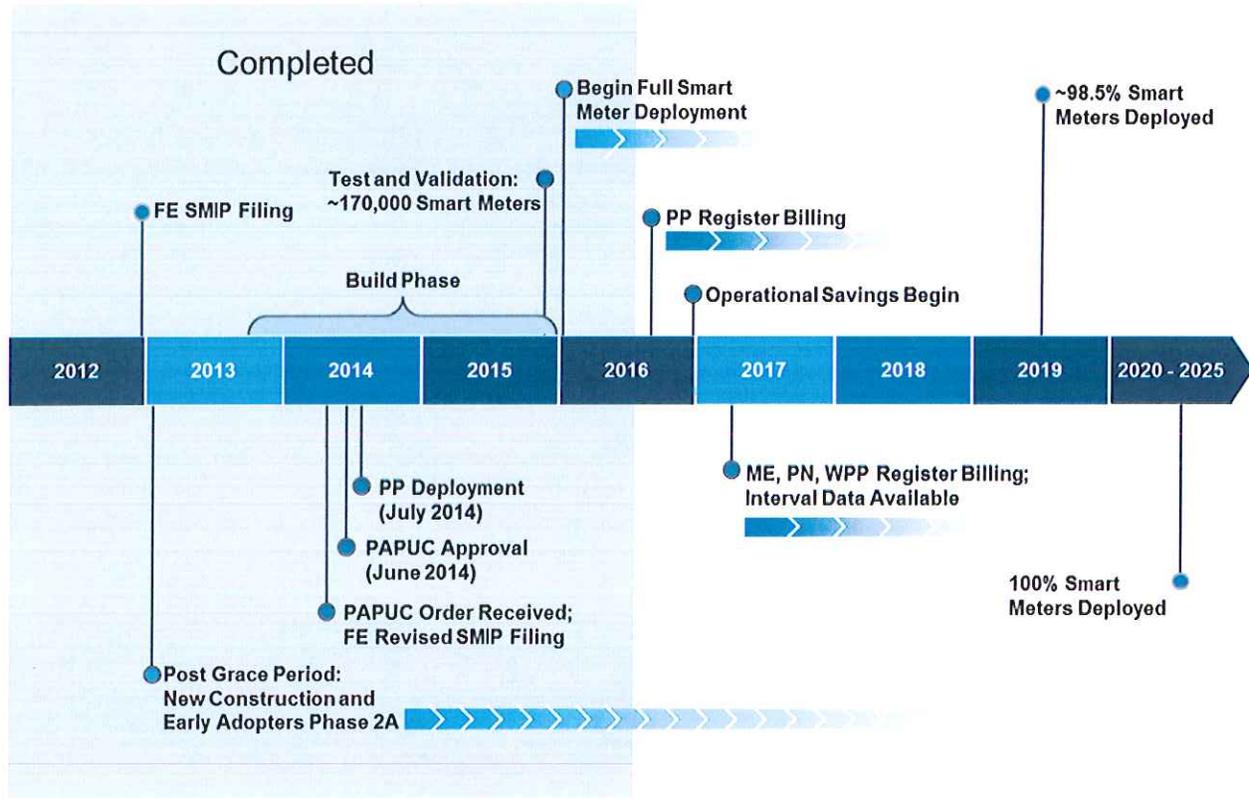


Figure 4: 2016 West Penn Power Scheduled Exchanges



Upon installation, all smart meters will be capable of providing all meter functionality required by Act 129 and the Commission’s Implementation Order. Actual functionality only will become available upon completion, optimization, and acceptance of the communication network in the applicable deployment area. Currently, remote meter reading capability is expected to lag installation by approximately three months. The illustration in Figure 5 summarizes the Companies’ projected deployment schedule as well as the projected timeline for functionality, both of which are consistent with the timelines included in the Revised Deployment Plan. As of the date of this report, the project remains within the scope and schedule of the Revised Deployment Plan.

Figure 5: Smart Meter Deployment Timeline



Key activities during the Reporting Period

- One Early Adopter received a smart meter as of June 30, 2016;
- A total of 171,750 smart meters with supporting infrastructure were deployed in the Penn Power service territory;
- A total of 291,460 additional smart meters were deployed in the Met-Ed, Penelec, and West Penn Power service territories;
- A grand total of 463,210 smart meters were deployed as of the end of the Reporting Period;
- Observed communication rates have met or exceeded planned network communication criteria;
- Route acceptance and billing certification processes have been created. The operation and accuracy of the smart meters have been assessed with no major issues to-date;
- Consistent with leading practices, the Companies continued to perform on-cycle manual meter reading pre- and post-smart meter exchanges;⁵
- The Companies deployed 12,272 transformer-rated meters;

⁵ A leading practice of smart meter deployments is to perform additional meter reads during the meter exchanges. These reads reduce the number of back-office exceptions, capture information for any high-bill complaints, and provide a solid foundation for the smart meter going forward. For Full-Scale Deployment, a post read at the premises will not be required based on the project's validation of the solution. Where applicable, post reads will be processed for exception handling and other billing activities leveraging the solution.

- The communications network build-out was completed for Penn Power and is in progress for Met-Ed, Penelec, and West Penn Power;
- 502 CGRs were installed by the Companies; and
- 258 REs were installed as part of FAN optimization in the Penn Power service territory.

II. REGULATORY

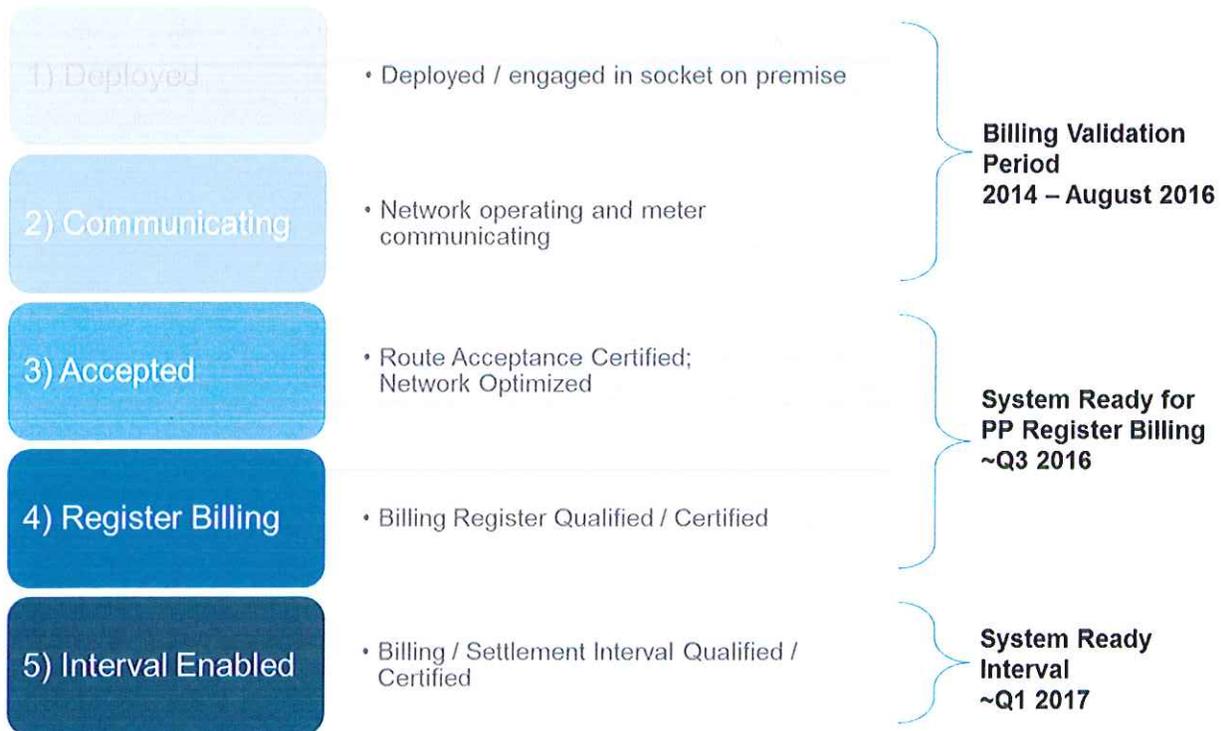
Throughout the Reporting Period, the Companies' actions were consistent with the Revised Deployment Plan and continued to meet relevant regulatory obligations. Consistent with the Commission's stated objective to work with stakeholder groups on a going-forward basis, the Companies held a number of collaboration meetings:

Stakeholder Meeting November 17, 2015: The Companies hosted a meeting in Harrisburg, Pennsylvania, to provide an update to all interested parties on:

- Progress to-date;
- Disputed installations;
- 60 Amp sockets;
- Remote service switch (remote connect and disconnect); and
- Cyber security matters.

The Companies' update on deployment progress included both deployment counts and deployment timelines. In addition, the progression of meter functionality was discussed. The illustration below (Figure 6) summarizes the progression of smart meters from deployed to interval enabled.

Figure 6: Interval Data Enablement



Finally, updates were provided on other topics that had been previewed in the previous stakeholder meetings and annual progress reports.

As directed by the Commission, the Companies continued to work with the stakeholder group to develop protocols for voluntary remote disconnection for move in and move out situations. A number of use-cases were discussed (see Figure 7). As part of these discussions, the Companies reiterated that they would not use involuntary remote termination for non-payment without a site visit. The Companies plan to propose a pilot for voluntary and involuntary remote service termination for the Penn Power service territory, in 2017. This Penn Power pilot will only occur once the smart meter network and supporting systems are in production and stable (including billing).

Figure 7: Use-Case Scenarios

1	Move-Out Disconnect	6	Unblock Due to FE Error
2	Move-In Reconnect	7	Emergency Power On Reconnect
3	Block Dunning	8	Fire / Police Department Disconnect
4	Unblock Dunning	9	Fire / Police Department Reconnect
5	Block Vacant with Usage		

The Companies shared as appropriate the results of a security assessment conducted by SecureState in which no critical vulnerabilities of the Companies' smart meter systems were identified. The Companies indicated that similar periodic assessments would occur as the smart meter system is expanded.

Stakeholder Meeting April 14, 2016: A second stakeholder meeting was held on April 14, 2016. The objectives of this meeting were to provide a forum in which interested parties could receive an update on the Companies' progress on the implementation of the Revised Deployment Plan, including the standing agenda items addressing (1) the customer privacy policy; (2) Remote Connect Disconnect ("RCD"); and (3) cyber security.

Among those stakeholders in attendance at these meetings were representatives from the OCA, the Office of Small Business Advocate ("OSBA"), the Commission's Bureau of Technical Utility Services ("TUS"), the Commission's Law Bureau, the Pennsylvania Utility Law Project ("PULP"), and various representatives for industrial customers and energy suppliers.

Rate Case Settlement - Metrics. On April 9, 2015, the Commission approved a Joint Petition for Partial Settlement in each of the Companies' respective base rate cases.⁶ As part of this settlement, the

⁶ *Pennsylvania Public Utility Commission v. Metropolitan Edison Company*, Docket Nos. R-2014-2428745 and M-2013-2341990 (Order entered April 9, 2015); *Pennsylvania Public Utility Commission v. Pennsylvania Electric Company*, Docket Nos. R-2014-2428743 and M-2013-2341994 (Order entered April 9, 2015); *Pennsylvania Public Utility Commission v. Pennsylvania Power Company*, Docket Nos. R-2014-2428744 and M-2013-2341993 (Order entered April 9, 2015); and *Pennsylvania Public Utility Commission v. West Penn Power Company*, Docket Nos. R-2014-2428742 and M-2013-2341991 (Order entered April 9, 2015).

Companies agreed to provide certain information related to smart meter deployment. Consistent with this settlement, the following information is provided below:

Additional Reporting Metrics		As of Reporting Period	
Smart Meters: number of smart meters deployed ⁷		463,210	
Smart Meters: number of smart meters deployed and communicating		365,540 ⁸	
Smart Meters: number of smart meters deployed for new construction		21,140	
Smart Meters: number of early adopters		1	
Home Area Network (“HAN”) Devices: number of customers with HAN provisioned ⁹		1	
Total spend		\$322.4 million	
Customer Complaints: number of Formal PUC complaints related to smart meter deployment		4	
<u>Type of Formal Complaint or Resolution</u>		<u>Open</u>	<u>Closed¹⁰</u>
Installation		2	2
Functioning or accuracy of the AMI meter		0	0
HAN device registration		0	0
Customer Complaints: number of Informal PUC complaints related to smart meter deployment		64	
<u>Type of Informal Complaint or Resolution</u>		<u>Open</u>	<u>Closed¹¹</u>
Installation		10	34
Functioning or accuracy of the AMI meter		1	19
HAN device registration		0	0
Reduction in greenhouse gas (“GHG”) emissions ¹²		N/A ¹³	
Voltage and Var Controls: number and percentage of distribution lines utilizing sensing from an AMI meter as part of the Companies’ voltage regulation scheme		0 / 0%	

Electronic Data Exchange Working Group (“EDEWG”) Meetings: During the Reporting Period, the Companies continued to participate in a number of working groups, including the EDEWG. As part of the Commission’s Implementation Order, the Commission directed the EDEWG to convene a Web Portal Working Group (“WPWG”) to develop a standardized solution for third-party acquisition of customer

⁷ This metric reflects the number of smart meters installed, but not necessarily with a supporting field communications network.

⁸ This metric reflects the number of smart meters installed within an area where a field communications network has been rolled out.

⁹ This metric reflects the number of smart meters with customer devices registered to operate with the HAN chip.

¹⁰ One complaint has been closed through a Commission Order and one withdrawn by the customer.

¹¹ These complaints have been dismissed through a Commission staff directive.

¹² This metric refers to the reduction in greenhouse gases associated with reduced truck rolls as a result of fewer meter readings and increased efficiencies.

¹³ This reporting will commence once the realization of this benefit has been determined as reflected in the smart meter operations baseline savings as of April 30, 2016.

interval data using an EDC secure web portal. On September 3, 2015, the Commission issued a Final Order,¹⁴ which included the following recommendations from the WPWG:

- Within 12 months, EDCs should implement a Single User-Multiple Request (“SU-MR”) option as outlined in the EDEWG framework;
- Within 14 months, EDCs should implement System-to-System (“StS”) functionality outlined in the EDEWG framework;
- The Commission also directed the WPWG to reconvene to develop (but not implement) standards for uniform StS functionality.

On April 7, 2016, the WPWG submitted to the Commission an expanded standardized solution for the acquisition of historical interval usage (“HIU”) and billing quality interval usage (“BQIU”) data via a secure web portal to include not only a SU-MR solution, but also StS functionality.

On June 30, 2016, the Commission issued a Final Order,¹⁵ finding as follows:

- The WPWG framework submitted on April 7, 2016 is approved;
- By November 3, 2016, EDCs shall implement the following solutions: SU-MR, StS rolling 10 day, and StS historical interval usage; and
- EDCs shall submit implementation plans within 30 days from the entry date of the order.

The Companies will submit its implementation plan by the date required, which will occur at approximately the same time that this Progress Report is submitted.

Cost Allocation of SMIP Costs Among Sister Utilities In Other States: In the November 8, 2013, Recommended Decision, Administrative Law Judge (“ALJ”), recommended that “should any of the sister utilities deploy smart meters, the Commission should direct that the Companies provide a report with their next SMT-C filing that identifies expenditures on all components of their Plan that have the potential to benefit their sister utilities when they begin deploying smart meters and that describes the method through which the Companies will receive credit from FirstEnergy Service Company for those expenditures. To the extent any system upgrades are currently being utilized by the Companies’ sister utilities, the Commission should direct that those costs be properly allocated now.”¹⁶

In its March 6, 2014 Order, the Commission affirmed the ALJ’s recommendation and ordered that “the Companies are directed to provide a report with their next SMT-C filing that identifies expenditures on all components of their Plan that have the potential to benefit their sister utilities in other states when they begin deploying smart meters and that describes the method through which the Companies will receive credit from FirstEnergy Service Company for those expenditures.”¹⁷ The Commission further ordered

¹⁴ *Submission of the Electronic Data Exchange Working Group’s Web Portal Working Group’s Solution Framework for Historical Interval Usage and Billing Quality Interval Use*, Docket No. M-2009-2092655 (Order entered Sept. 3, 2015).

¹⁵ *Submission of the Electronic Data Exchange Working Group’s Web Portal Working Group’s Solution Framework for Historical Interval Usage and Billing Quality Interval Use*, Docket No. M-2009-2092655 (Order entered June 30, 2016).

¹⁶ *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company For Approval of Their Smart Meter Deployment Plan*, Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993, and M-2013-2341994 (Recommended Decision November 8, 2013) pgs. 28, 59.

¹⁷ *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company For Approval of Their Smart Meter Deployment Plan*, Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993, and M-2013-2341994 (Order entered March 6, 2014) pg. 45.

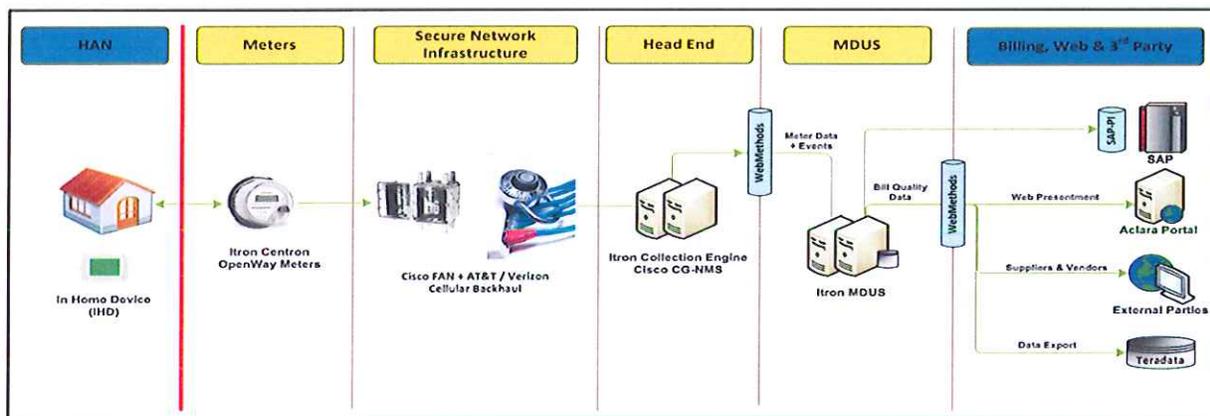
“that to the extent any system upgrades are currently being utilized by the Companies’ sister utilities, the Companies are directed to properly allocate those costs to the sister utilities.”

Currently, no sister utility of the Companies in other states is deploying smart meters. If and when additional smart meter deployment occurs, the Companies will provide a report within the subsequent SMT-C filing that identifies expenditures on all components of their Revised Deployment Plan that have the potential to benefit their sister utilities, and will describe the method through which the Companies will receive credit from FirstEnergy Service Company for those expenditures.¹⁸

III. PROGRESS ON THE END-TO-END SOLUTION

The following diagram identifies the major components within the Companies’ smart meter solution, approved as part of the Revised Deployment Plan, and also provides a high-level progress update. Below this diagram, additional notes for each of the major SMIP workstreams are provided.

Figure 8: Smart Meter Solution



Fundamental Connectivity

- Meters and field network send data to Collection Engine
- Completed 12/2014

Baseline Operations

- Data validated and synchronized, made ready for downstream systems
- Completed 12/2015 followed by rigorous testing; in production 2/2016 (MDUS)

Billing Enablement

- Full integration with downstream systems after rigorous testing
- Cut over for Penn Power to Register Billing Q3 2016, Other PA OpCos Q1 2017

¹⁸ On February 28, 2016, the Ohio FirstEnergy Companies filed a proposed Grid Modernization business plan with the Public Utility Commission of Ohio in Case No. 16-0481-EL-UNC. This proposed plan included a timeline for the Companies to achieve full smart meter implementation with data and transfer capabilities and examples of grid modernization initiatives. To date, no action has been taken by the Ohio Commission on the proposed plan.

III.I PROGRAM GOVERNANCE

The Companies understand that program governance is essential to efficient and effective smart meter planning and implementation. The Companies continue to execute and refine their Program Management Office (“PMO”) activities and processes. The PMO is responsible for proper governance around work planning, risk / cost / resource / facility management and contract / deliverable management. The PMO was created leveraging both the leading practices from other utilities involved in smart meter projects and the experiences and support of the Companies’ various service providers including Accenture, Inc., Harbourfront Group, Inc., and Itron, Inc.

Key activities during the Reporting Period

- The Companies refined policies, procedures, and protocols following the introduction of the Disputed Installation Pilot;
- The Companies refined the smart meter benefits tracking tool and supporting data collection processes; and
- The Companies conducted an RFP solicitation and evaluation and selected ServiceNow’s Service Management solution to support full meter deployment. This solution will support smart meter incident identification and problem management processes.

III.II FINANCIAL ANALYSIS / COST RECOVERY

In response to the requirements of Act 129 and subsequent Commission Orders, the Companies developed a detailed smart meter financial analysis model (“Financial Model”) to estimate and analyze the future costs and potential operational cost savings associated with the smart meter program.

III.II.a Cost Recovery Overview

As discussed in the Regulatory section above, the Companies’ last base rate cases were approved April 9, 2015. With this approval, smart meter revenue requirements were incorporated into base rates and the Companies’ SMT-C Riders were reset to zero. The Companies may periodically file for future adjustments to the SMT-C Riders in order to adjust for costs in excess of those included in rates and to flow back realized savings resulting from the installation of smart meters.

III.II.b Benefits Realization

The Companies have developed a benefits tracking tool and reporting process. This tool and supporting procedures and protocols will support the Companies’ tracking, measuring, and flowing back of operational cost savings realized through the installation of smart meters.

The settlements in the base rate cases identified the categories in which smart meters savings should be measured. Specifically, for purposes of measuring smart meter savings, baselines of pre-existing cost impacts and / or relevant existing employee complements were established for the following categories: (1) Meter Reading; (2) Meter Services; (3) Back Office; (4) Contact Center; (5) Reduction of Theft of Service; (6) Revenue Enhancements; (7) Avoided Capital Costs; (8) Distribution Operations; and (9) Load Research. Although the Companies do not expect to realize actual smart meter-related operational cost savings until sometime after the beginning of 2017, they continue to monitor smart meter deployment activities should such cost savings occur at an earlier time.

III.III BUSINESS AND OPERATIONAL READINESS

The Companies continue to prepare their operations for smart meter deployment. Communications, training, and workshops were developed to finalize the capabilities that will support smart meter operations throughout deployment and into steady-state activities. As detailed in the Companies' Communication Plan, the "90-60-30" day communication strategy continues to be followed. In addition, the Companies continue to monitor customer interactions. Through the end of the Reporting Period, there have been over 66,600 page views at the smart meter website (link can be found at:

<https://www.firstenergycorp.com/PAsmartmeter>); approximately 6,300 smart meter-related calls made to the Companies' contact centers.

In addition to customer education, the Companies have dedicated resources that focus on employee training and awareness. Over the course of deployment in the Penn Power service territory, the SMOC has been monitoring field network and smart meter activities. Business process redesign workshops were held to identify, develop, and finalize processes and technology capabilities. Functionality has been delivered as planned. Over 5,020 employees have been trained over 337 sessions. With the focus on automated register billing for Penn Power, the following schedule was followed:

Figure 9: Focus on Q3-Q4 2016 Register Billing

Preliminary Schedule 2016							
OpCo	June	July	August	September	October	November	December
Penn Power	<ul style="list-style-type: none"> Additional Tests Clear work orders on meters that are scheduled to be certified 		Validate in production with a few accounts / MRUs	Ramp up to full automation			Remediation (if necessary)

The Companies successfully completed the plan that identifies when specific Meter Reading Units ("MRUs") or routes will be transitioned. The first MRUs will be tested in August 2016 to validate that the process works in production. The Companies plan to complete the transition of Penn Power to automated billing by the end of December 2016.

Further, the Companies continue to work on voluntary remote disconnect use cases with the intent to launch a pilot in Penn Power's service territory in 2017.

The Companies performed the following key activities during the Reporting Period:

- Distributed customer notification materials to advise customers of upcoming smart meter installations. The following are the results through the end of the Reporting Period:
 - Brochures distributed since May 2014: 384,790 residential and 15,608 commercial brochures;
 - Installation letters distributed since June 2014: 368,273 letters;
 - Print ads and online banners ads (began in June 2014);
 - Door hangers distributed since July 2014: approximately 465,000 ; and

- Field installer cards given to installers and customer-facing employees to provide to customers who have questions.
- Trained over 5,020 employees in 337 sessions.
- Continued to refine business processes to support deployment and prepare for automated billing (estimated to be commence in the third quarter of 2016 for Penn Power).
- Completed workshops on the following topics and issues:
 - Customer interactions and communications
 - Review of customer interactions, communications, and deployment processes;
 - Planned changes to all customer notifications once an account is bill certified;
 - Detailed bill certification process following route acceptance;
 - HAN devices – qualify, provision, de-provision, and troubleshooting;
 - Customer data portal presentment and customer portal pricing;
 - Deployment support
 - Disputed Installation Pilot and hard-to-access process developed, tested, and implemented;
 - SMOC
 - Optimize event correlation and manage incidents reported from the meters;
 - Meter data management and billing
 - Process cancel / rebill exceptions; and
 - Settlement and Supplier inputs and reporting.
- Began SMOC operations.
- Executed and refined business processes for monitoring the communications network.
- Monitored the collection engine – preliminary test data indicates that communication rates have met or exceeded planned network criteria.
- Continued design, build, and test activities for the meter data management system in preparation for cutover to automated meter reading in Penn Power’s service territory.
- Supported the Disputed Installation Pilot and continued process.

IV. LOOK AHEAD

Absent unforeseen events, the Companies will continue Full-Scale Deployment. Below are some of the key activities expected to take place through the end of 2016 and into 2017:

Key Activities for Remainder of 2016 and 2017

- Continued progress with meter deployment and FAN equipment installation in the Companies’ service territories consistent with the deployment schedule in the Revised Deployment Plan;
- Build out of SMOC to monitor status and health of network and meters leveraging implemented processes and technologies;
- Beginning of billing certification process targeted for accepted MRUs;
- Automated billing in Penn Power’s service territory using smart meter usage targeted for third quarter of 2016;
- Direct access for Penn Power customers (via customer portal and HAN) targeted for first quarter of 2017 and remote programming capabilities (for non-early adopters) targeted for third quarter of 2016 (in conjunction with automated billing in Penn Power);

- Automated billing and direct access in the Companies' other Pennsylvania service territories for accepted MRUs using smart meters targeted to commence in the first quarter of 2017;
- Activities leading up to the commencement of the Penn Power Remote Connect Disconnect Pilot in the later part of 2017;
- Continued information-sharing sessions with peer utility companies and interested stakeholders; and
- Continued monitoring for realization of smart meter related operational cost savings after the beginning of 2017.

V. CONCLUSION

In sum, the Companies are following the Commission approved Revised Deployment Plan without any material modifications being deemed necessary at this time. Both the number of meters installed, as well as the deployment costs to date, generally comport with the projections included in the Revised Deployment Plan.¹⁹ The Companies have not encountered any significant problems with any of the components selected as part of their smart meter solution.

Met-Ed, Penelec, Penn Power, and West Penn Power thank the Commission for the opportunity to provide a status update on their Smart Meter Implementation Plan and would be pleased to answer any questions the Commission or its Staff may have.

¹⁹ A limited exception relates to the Companies' 60 Amp and other round socket replacement. On June 27, 2016, the Companies submitted a letter to the Commission indicated that the cost for replacement of these sockets exceeds the Companies' original projection of repair costs. All customer advocates were notified and no party opposed these increased costs. As detailed in the June 27, 2016, letter, the replacement itself is consistent with the Revised Deployment Plan.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for Approval of their Smart Meter Deployment Plans	:	Docket No. M-2013-2341990
	:	M-2013-2341991
	:	M-2013-2341993
	:	M-2013-2341994

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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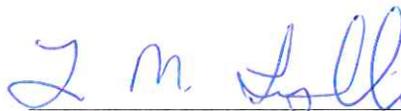
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