



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
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February 17, 2010

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of Petition of Duquesne Light Company
For Approval of its Smart Meter Procurement and
Installation Program

Docket No. M-2009-2123948

PA PUC
SECRETARY'S BUREAU

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Dear Secretary McNulty:

Enclosed for filing, please find an original and nine (9) copies of the **Exceptions** of the Office of Trial Staff (OTS) in the above-captioned proceeding.

As evidenced by the enclosed Certificate of Service, copies are being served on all active parties of record.

Sincerely,

Adeolu A. Bakare
Prosecutor
Office of Trial Staff
PA Attorney I.D. #208541

Enclosure.
AAB/nhd

cc: Parties of record
Chairman Cawley
Vice Chairman Christy
Commissioner Pizzingrilli
Commissioner Gardner
Commissioner Powelson
Chief Counsel Pankiw
Director Davis

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**EXCEPTIONS
OF THE
OFFICE OF TRIAL STAFF**

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Dated: February 17, 2010

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I. INTRODUCTION

The Office of Trial Staff (“OTS”) respectfully submits these instant Exceptions to the Initial Decision of Administrative Law Judge Robert P. Meehan (“ALJ”) issued by cover letter from the Office of Administrative Law Judge (“OALJ”) on January 28, 2010, in this fully litigated proceeding. Duquesne Light Company (“Duquesne” or “Company”) initiated the case on August 14, 2009, by filing the Petition of Duquesne Light Company for Approval of Smart Meter Procurement and Installation Plan (“Petition” or “Plan”). As referenced therein, Duquesne submitted the Plan pursuant to Act 129 of 2008 and the requirements of the Commission’s Implementation Order entered June 24, 2009, at Docket No. M-2008-2092655.¹ As provided for in the Implementation Order, official Comments were filed with the Commission Secretary by OTS and a number of other parties on September 25, 2009. The OTS testimony and exhibits were offered and admitted into the record during the evidentiary hearing held November 17, 2009.

¹ The Company proposes to recover the costs incurred under its Plan on a current and prospective basis through a Smart Meter Charge (“SMC”). Plan, p. 5. Duquesne broadly estimates that total costs to be incurred through the SMC will range from \$152,000,000 to \$262,000,000. Plan, p. 14. For the 30-month Grace Period beginning April 1, 2010 and ending on October 1, 2012, the Company projects to incur costs of \$38 million and proposes to recover said amount through the SMC. Plan p. 15. These estimated costs include expenses incurred prior to August 2009 and projected to be incurred between August 2009 and April 1, 2010. Plan, p. 16. The Company has represented that they will provide further estimates of the remaining costs to be recovered after expiration of the Grace Period on or before December 31, 2011. Plan, p. 5, 11-12.

Tr. pp. 167-168.² On December 8, 2009, OTS filed its Main Brief setting forth the argument, evidence and law supporting recommendations to the Pennsylvania Public Utility Commission (“Commission”) that the instant Petition be modified as recommended therein. On December 22, 2009, OTS filed its Reply Brief in this matter.

In the Initial Decision, the ALJ recommends adoption of a number of the OTS positions including the annual filing and review timeframe (as accepted by the Company), quarterly Smart Meter Charge (“SMC”) filings (as proposed by the Company), and the blending of the Company’s cost rate of debt and preferred stock (as accepted by the Company). OTS obviously concurs with the ALJ’s recommendations and provides no Exceptions here on those issues.

However, the Initial Decision does recommend rejection of several OTS recommendations advanced in this proceeding. These instant OTS Exceptions therefore respectfully urge the Commission to reject those particular ALJ recommendations identified herein and instead recognize the legitimacy and value of incorporating each of the OTS recommendations into the final Order resolving

² The OTS testimony and exhibit were admitted into the record at the evidentiary hearing held on November 17, 2009, and consisted of OTS Statement No 1, the Direct Testimony of Emily Sears, OTS Statement No.1-R, the Rebuttal Testimony of Emily Sears and accompanying OTS Exhibit No.1-R, and OTS Statement No. 1-SR, the Surrebuttal Testimony of Emily Sears. OTS MB, p. 5; OTS RB, p. 2 fn.

this proceeding.³ As emphasized in the OTS Main Brief, OTS has been actively involved in this proceeding because, inter alia, Duquesne's filed Plan involves

3 As to the specific OTS recommendations, they were summarized in the OTS Direct Testimony, at pages 2 and 3 of OTS Statement No. 1, and are reprinted here as follows [with an identification of the relevant pages in that testimony]:

- Annual Filing and Reconciliation should occur on August 1, with a uniform Commission designated 12 month reconciliation period ending June 30; hearings should occur by October 1; Order should be entered by December 1, and the tariff effective date should be January 1; [pages 3 to 7]
- Quarterly SMT updates should be submitted to the Commission by the Companies including review of its upcoming quarterly projected SMT recoverable costs and rider revenues allowing for rider rate adjustments; [pages 7 to 9]
- The Company should use its latest quarterly Financial Report submitted to the Commission to obtain a cost rate of debt. The cost rate of preferred stock should be blended proportionately with the cost rate of debt to determine a composite fixed cost rate which will be applied to the representative capital structure; [pages 9 to 12]
- The Company should use the Commission's latest Quarterly Earnings Report of jurisdictional utilities to obtain a cost rate of common equity and a representative capital structure for the electric industry; [pages 12 to 16]
- Over and under-collections computed under the SMT rider reconciliation should be subject to interest using the monthly residential mortgage lending rate published in the PA Bulletin; [pages 16 to 18]
- Interest should be computed similar to the method the Commission currently uses for the DSIC cost recovery mechanism, incorporating a weighted simple annual interest computation method; [page 18 to 19]
- Interest should be one directional. Any cumulative net over-collection of interest shall be refunded to the ratepayers. Any cumulative net under-collection of interest is not to be recovered from ratepayers in this, or any future, proceeding; [pages 20 to 21]

OTS Stmt. No. 1, pp. 2-3; *see also* OTS MB, pp. 5-7.

significant costs and includes a recovery mechanism designed to recoup those costs from ratepayers.

II. EXCEPTIONS

In this and the other EDC's smart meter technology ("SMT") proceedings, OTS has presented uniform recommendations on the issues to the Commission in an effort to demonstrate the legal, equitable and practical reasons for adopting such uniform recommendations across the board in each Commission Order resolving the proceedings.⁴ With adoption of these OTS-recommended practices and procedures applicable to each and every EDC's smart meter technology program, the Commission would be in a position to efficiently review each program and compare and contrast the effectiveness of each program on an "apples to apples" basis. Additionally, OTS has emphasized that the adoption of uniform

4 "In its Main Brief, OTS points out that Commission adoption of these proposed filing dates would avoid conflict with the extensive Commission review process necessary for gas distribution companies' annual 1307(f) proceedings and the scheduled Commission annual review of each EDC's Energy Efficiency and Conservation Plans... ." OTS Reply Brief, n. 9. OTS reiterates that from the standpoint of efficiency and uniform fairness for all EDCs, any alternative approaches to determining an appropriate cost rate of common equity that would require either conduct of a generic proceeding(s) to establish a cost of common equity calculation methodology or the inclusion of mini base rate case of return litigation in each EDC's smart meter proceeding, may be unduly burdensome and time consuming. OTS Reply Brief, n. 19. OTS recommends that the Commission calculate both a uniform cost rate of common equity and a uniform capital structure based on the Commission's barometer group is appropriate because it properly matches the financial risk associated with the capital structure to the cost rate of common equity within the overall cost of capital calculation. OTS Reply Brief, n. 20.

recommendations would ensure that each EDC would be treated as equally as possible during such Commission oversight and review.

This instant OTS emphasis upon uniform treatment of the EDCs' plans is particularly relevant at this point in time. We urge a review of the obvious disparity in the respective ALJs' recommendations on similar issues in Initial Decisions recently issued in several other ongoing smart meter proceedings involving jurisdictional EDCs. To that end, we reference the Initial Decision in PPL Electric Utilities Corporation's ("PPL") Petition for Approval of a Smart Meter Technology Procurement and Installation Plan, docketed at M-2009-2123945, issued on January 28, 2010; and the Initial Decision in the First Energy Companies' ("First Energy") Joint Petition for Approval of Smart Meter Technology Procurement and Installation Plan, docketed at M-2009-2123950 and also issued on January 28, 2010.

Unlike the instant Initial Decision where the assessment interest was (apparently) determined to be appropriate, the Initial Decision in the First Energy recommends no interest on either over or under-collections. ID, p. 21. First Energy ID, pp. 41-43. Further, the Initial Decision in PPL recommends interest of eight percent (8%) for overcollections and six percent (6%) for under-collections. PPL ID, pp. 24-26. Having noted this situation, OTS submits that such disparity is no small matter as the determinations appear to be based upon each ALJ's legal interpretation of the relevant statutory and regulatory authority regarding interest.

Further review of the referenced Initial Decisions disclose that disparity also exists between and among the Initial Decisions on other such important issues as, inter alia, the appropriate annual filing and review schedule for each EDC, the question of whether quarterly updates for the SMT surcharge rate will be made or required, and the method of determining an appropriate cost of common equity to be applied to assets capitalized in the surcharges. Again, this mishmash of treatments on issues common to each EDC's SMT can only serve to complicate Commission review of the ongoing programs, particularly when the different EDC's filings would be made at different times of the year under the different ALJs' recommendations in the various Initial Decisions already issued.

As such, OTS would again urge the Commission to recognize the value of ruling uniformly on each EDC's submitted SMT plan and thus consider such implications as it scrutinizes the OTS Exceptions presented here regarding the Duquesne's submitted SMT plan.

OTS EXCEPTION NO. 1

The ALJ Erroneously Failed to Adopt or Address the OTS Recommendation for One Directional Interest Recovery on Over-Collections.

Initial Decision, pp. 21.

OTS Main Brief, pp. 16-19.

OTS Reply Brief pp. 15-17.

OTS respectfully submits that the instant Initial Decision has apparently not specifically addressed how interest should be assessed through Duquesne's SMC.

The sole reference to interest in the Initial Decision can be found in the section addressing the parties' various proposals regarding annual reconciliation of quarterly updates of the SMC, where it states, "All over-and under-recovery calculations will include interest at 6%. DLC Ex. D, at 8." ID, p. 21. There are no further references to the OTS interest proposal and no statements indicating express adoption of the Duquesne interest proposal. It may perhaps be presumed that the ALJ's recommended adoption of the OTS uniform annual reconciliation schedule and agreement with a SMC quarterly report schedule also represents acceptance of the OTS interest proposal. ID, p. 23. However, without reference to where the ALJ specifically recommends adoption of the OTS interest proposal, OTS must proceed with this Exception under the assumption that the Initial Decision implicitly adopts Duquesne's interest proposal. Accordingly, OTS reiterates its recommendation that the Commission modify Duquesne's plan and provide for one directional interest payments on over-collections.

The OTS interest recommendation balances both Company and ratepayer interests regarding the reconciliation of carrying costs associated with capital intensive investments. In its Filing, Duquesne proposed to recover interest on over and under-collections. Duquesne MB, p. 15. OTS agrees with the general concept of providing for interest but proposed an alternative interest reconciliation scheme:

Regarding the annual reconciliation, OTS proposes a two directional offset and a one directional interest charge such that the Company may offset any computed over-collections against any computed

under-collections -- and then, interest charges would only be assessed for the difference when there is a net over-collection and would not be assessed when there is a net under-collections.

OTS MB, p. 17.

This OTS recommendation balances Company and ratepayer interests because the Company is permitted to offset accrued under-collections against the corresponding over-collections from the twelve month reconciliation period. The Company must pay interest to ratepayers only when the offset results in a positive net balance of interest accruing from over-collections.

Interest payments on under-collections are not warranted as the Company is already compensated for carrying costs through the rate of return component of its SMC. Because Duquesne's recovery of its capital-intensive smart meter investments includes a rate of return component, the Company is already amply compensated for any investments made in excess of projected costs recovered through the SMC. OTS MB, p.18. Conversely, ratepayers do not earn a rate of return on excess funds paid to the Company. Therefore, interest payments on net over-collections are appropriate.

Applying one directional interest to Duquesne's smart meter technology plan does not contradict the OTS recommendation for applying two directional interest to Duquesne's Energy Efficiency & Conservation ("EE&C") surcharge.⁵

⁵ See: Implementation Order Entered October 27, 2009, at Docket No. M-2009-2093217, p. 61.

Duquesne's EE&C Plan required mostly non-capital investment. OTS MB, p. 17. Through the SMC, Duquesne will recover a return on and a return of its smart meter expenses. OTS MB, pp. 18-19. When EDCs have the advantage of earning a rate of return on capital expenses funded by ratepayers, the ratepayers should not additionally be held liable for interest payments on under-collections.

The OTS recommendation for one directional interest complies with the statutory provision for full and current recovery of smart meter technology costs. The Company claims that under-collections without interest create a cost in violation of the Act 129 requirement for full and current cost recovery. Duquesne MB, p. 26. Read in its proper context, the "full and current" language in the statute describes the alternative to deferring smart meter technology cost recovery until Duquesne's next base rate case.⁶ The ability to recover the principal Plan costs through an annually reconciled and quarterly updated automatic adjustment clause satisfies the requirement for "full and current" recovery of smart meter technology costs regardless of the treatment of interest. As noted above, the Company is not denied of "full and current" costs in the event of an under-collection because it will recover a rate of return on the excess expenditures and recover the principal of such excess expenditures through the subsequent SMC adjustments and reconciliation. One directional interest is necessary because ratepayers do not have a built in return component to compensate them for excess

⁶ 66 Pa. C.S. § 2807(f)(7)(i)-(ii).

payments to Duquesne. Therefore, OTS respectfully requests that the Commission grant this instant Exception and adopt the OTS recommendation for one directional interest on over-collections.

OTS EXCEPTION NO. 2

The ALJ Erroneously Failed to Adopt or Address the OTS Recommendation to Calculate Interest at the Residential Mortgage Rate.

Initial Decision, p. 21.

OTS Main Brief, pp. 16-19.

OTS Reply Brief pp. 15-17.

As previously discussed, the Initial Decision does not contain a definitive recommendation as to how interest should be calculated and recovered through Duquesne's SMC. The above discussion also details the implicit conclusions that could be drawn from the brief reference to interest in the Initial Decision.⁷

However, without an explicit adoption of the OTS interest proposal, OTS must proceed with this Exception under the assumption that the Initial Decision recommended adoption of Duquesne's interest proposal. Accordingly, OTS recommends that the Commission modify Duquesne's plan and provide for interest calculated at the residential mortgage rate.

The OTS interest recommendation balances both Company and ratepayer interests regarding the calculation of carrying costs associated with capital intensive investments. In its Filing, Duquesne proposed to calculate interest at the legal rate of interest (6%). Duquesne MB, 15. OTS agrees with the general

concept of providing for interest but recommends that the Company compute interest at the residential mortgage rate. OTS MB, p. 17.

As detailed in the OTS Main Brief, calculating interest at the residential mortgage rate is appropriate for smart meter costs recovery because it reflects the current cost of borrowed funds. OTS MB, p. 17. The Commission has already recognized the applicability of applying the residential mortgage rate of interest to capital intensive recovery in distribution systems improvement charge (“DSIC”) proceedings. OTS MB, p. 17. Like Duquesne’s SMC, water utility DSIC surcharges recover capital intensive investments and the Commission applies the residential mortgage rate of interest to DSIC surcharges. Thus, the Commission should grant this instant OTS Exception and adopt the OTS recommendation and apply the residential mortgage rate of interest to Duquesne’s SMC.

OTS EXCEPTION NO. 3

The ALJ Erroneously Modified the OTS Recommendation for Determining Duquesne’s Cost of Common Equity.

Initial Decision, pp. 24-28.

OTS Main Brief, pp. 13-15

OTS Reply Brief pp. 11-13.

OTS requests that the Commission reject the ALJ’s proposed cost of common equity recommendation and adopt the OTS recommendation in its original form. OTS proposed that the Commission’s Bureau of Fixed Utility Services (“FUS”) should calculate a representative EDC cost of common equity for smart meter

7 *See supra* p. 6, OTS Exception No. 1

surcharges in the same manner that FUS currently calculates a representative water utility cost of common equity for DSIC surcharges.⁸ In the Initial Decision, the ALJ proposed a multistep process for determining Duquesne's cost of common equity. OTS opines that its recommendation closely tracks the current cost of capital and therefore recommends that the Commission reject the ALJ's multistep proposal.

The ALJ's multistep approach relies partially on data that does not reflect current economic conditions. ALJ Meehan outlined his multistep proposal for calculating Duquesne's return on common equity as follows:

First, the primary consideration should be the return found reasonable in its most recent fully-litigated base rate proceeding, provided such proceeding was concluded within three years of the effective date of the time Duquesne seeks to update its SMC. Second, this return on equity should be compared to the equity returns for electric utilities in the Quarterly Earnings Report. If the equity returns in the Quarterly Earnings Report deviate more than 0.50% above or below the equity return from the most recent fully-litigated rate case, the lesser of the determined or published equity return shall be used for the rate of return calculation for the SMC for the next quarter. In the event Duquesne has not had a fully-litigated rate case within three years of the effective date of a change in its SMC, then the equity returns for electric utilities in the Quarterly Earnings Report shall be used as a proxy for the equity return in the rate of return calculation of the SMC, and continue to serve as a proxy for that calculation until such time as the Commission

⁸ The Initial Decision states that "I do not accept the recommendation for a generic proceeding to determine a return on equity as proposed by both the OTS and OCA." ID, p. 28. We note that only OCA advanced that proposal.

determines a reasonable return on equity for Duquesne in a fully-litigated rate case.

ID, p. 28.

Under the ALJ's proposal, the preferred return on common equity would be that from a fully-litigated base rate case concluded up to three years before an SMC update. In the turbulent financial world, three years represents a great deal of time. The ALJ apparently attempts to mitigate the potential for incorporating stale data into the SMC by requiring Duquesne to use a return on common equity from the Quarterly Earnings Reports as a backstop when the return from a fully-litigated base rate case varies more than 0.50%. Additionally, he recommends using the returns from the Quarterly Earnings Reports as an alternative when Duquesne has not concluded a fully-litigated base rate case within three years of an SMC update.

OTS notes that Duquesne reserves the option of deferring all smart meter cost recovery until its next base rate case but has elected to utilize an automatic adjustment clause for current recovery.⁹ If cost recovery were deferred to the Company's next base rate case, then the return on common equity determined in the base rate proceeding would reflect current economic conditions. This is not the

⁹ "An EDC may recover smart meter technology costs through (1) base rates, including a deferral of future base rate recovery of current basis with carrying charge as determined by the Commission; or (2) on a full and current basis through a reconcilable automatic adjustment clause under Section 1307. Order entered June 24, 2009 at Docket No. M-2009-2092655; *see also* 66 Pa. C.S. § 2807(f)(7)(i)-(ii).

case here; a return on common equity accepted three years ago, or even two years ago, does not reflect current economic conditions. Accordingly, the Commission should reject all portions of the ALJ's proposal relying, in whole or in part, on returns on common equity from fully-litigated base rate cases dating up to three years from the a SMC update.

To the extent that the ALJ's alternative proposal coincides with the OTS recommendation, it should be adopted by the Commission. As noted above, the ALJ proposed to use the return of common equity from the Quarterly Earnings Reports as a proxy when there has not been a fully-litigated base rate case within three years of SMC update. ID, p. 28. The ALJ references use of the "equity returns for electric utilities" from the Quarterly Earnings Report without specifying whether the Commission should use the cost rates currently published in the report or require FUS to calculate a return exclusively for application to smart meter technology surcharges.

If the Commission determines that the ALJ's alternative proposal differs in any manner from the OTS recommendation, then we would request that the Commission reject the ALJ's proposal and adopt the OTS recommendation. However, to the extent that the Commission interprets the ALJ's proposal as adopting the OTS methodology and so states in its Order resolving this proceeding, we obviously concur with that result.

OTS EXCEPTION NO. 4

The ALJ Has Erroneously Rejected the OTS Recommendation that the Commission use a Representative Capital Structure for Duquesne (And All Other EDCs) in the Recovery of Smart Meter Costs that is Based upon a Commission Established Barometer Group Used for the Quarterly Earnings Report.

Initial Decision, pp. 29-31.

OTS Main Brief, pp. 15-16

OTS Reply Brief pp. 13-15.

In this proceeding, OTS recommends that the Commission use a representative capital structure for Duquesne in the recovery of smart meter capitalized costs based upon a Commission established barometer group and the resultant capital structure percentages listed in the Quarterly Earnings Report.¹⁰ OTS MB, pp. 15-16. OTS RB, pp. 13-15. As noted in the Initial Decision, Duquesne's proposes to use the Company's actual equity capitalization so long as it falls within a zone of reasonableness of 45%-59%. ID, p. 29.

The Initial Decision correctly characterizes the OTS position, where it provides, "The OTS asserts that the use of such a representative capital structure is important as it would be based upon the same barometer group that would be used to determine the appropriate cost rate of common equity – thus assuring that the representative capital structure properly matches the financial risk associated with the corresponding cost rate of common equity. OTS St. 1, at 15. Further, the OTS

¹⁰ As stated in the OTS Main Brief, the overall allowable rate of return is calculated by determining the proportions of capital and cost rates for each type of capital. For such a calculation, it is first necessary to determine the capital structure. OTS MB, p. 15.

notes, some electric companies have capital structures that are not representative of the industry norm. OTS St. 1, at 15. As such, using a uniform representative capital structure will provide neither an advantage nor a disadvantage to any EDC or its ratepayers. OTS St. 1, at 15; OTS Main Brief, at 15-16.” ID, p. 29.

After discussing the OTS, OCA and Company’s positions and providing his analysis of each, the ALJ determined and recommended that Duquesne be allowed to use of its claimed 59% equity ratio for use in future smart meter cost recovery proceedings as long as their actual equity ratio continues to exceed that 59% level. ID, p. 31. For the reasons stated herein, OTS respectfully excepts to the ALJ’s recommendation and advocates Commission adoption of the OTS position.

At page 30 of the Initial Decision, the ALJ states his express disagreement with the OTS position that the Commission develop a representative capital structure applicable to all EDCs in the recovery of smart meter costs, stating specifically that, “[T]he OTS made no showing that the use of a representative capital structure would result in each EDC recovering its reasonable and prudent smart meter costs, a result permitted by Section 2807(f).” ID, p. 30. The OTS responds that the ALJ has failed to provide references to the record evidence that the OTS recommended hypothetical capital structure would deny Duquesne the opportunity to fair rate of return. In fact, OTS maintains that we have demonstrated that such a fair rate of return *would* be provided to Duquesne and the other EDCs under the OTS recommendation.

In further support for rejecting the OTS recommendation, the Initial Decision also notes that the Commission has used hypothetical capital structures in rate cases where the involved utility's actual structure was beyond the range of reasonableness and that such is not the basis for the OTS recommendation here. ID, p. 30. The ALJ then states that, "[R]ather the OTS makes its proposal for a representative capital structure to be consistent with its proposed use of the return on equity published in the Quarterly Earnings." ID, p. 30.

In response, OTS would point out that reasoning advanced here by OTS that has already been cited by the ALJ is in the same vein as the Commission application of a hypothetical capital structures in base rate cases based upon a determination of an unreasonableness *actual* capital structure. Specifically, the OTS contention noted at page 29 of the Initial Decision that some electric companies have capital structures that are not representative of the industry norm. ID, p. 29. The OTS rationale is thus simply carried over to encompass the recognition of the unreasonable *actual* capital structures of a number of EDCs. Further, OTS would respectfully disagree with the ALJ's over-emphasis on that portion of the OTS argument that references the consistency of the OTS capital structure recommendation with its proposed use of the return on equity published in the Quarterly Earnings. It is indeed true that OTS points out such consistency, but it is denied that it is the sole and overriding reason for the OTS recommendation. Rather, such reference serves to demonstrate one of the

underlying reasons for the appropriateness of Commission adoption of the instant OTS capital structure recommendation.

For the foregoing reasons, and those identified in the OTS Main and Reply Briefs, we respectfully request that the Commission adopt the instant OTS Exception and incorporate the result into the final Order resolving this proceeding.

III. CONCLUSION

For the reasons set forth above, the Office of Trial Staff hereby maintains that the Commission should issue an Order concluding this proceeding that incorporates all OTS positions and resultant Exceptions submitted herein.

Respectfully submitted,



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February 17, 2010

BEFORE THE
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Petition of Duquesne Light Company :
For Approval of its Smart Meter : Docket No. M-2009-2123948
Procurement and Installation Program :

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CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Exceptions** dated February 17, 2010, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below, in accordance with the requirements of § 1.54 (relating to service by a party):

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