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February 11, 2011

VIA HAND DELIVERY

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

Re: Petition of West Penn Power Company d/b/a Allegheny Power for Expedited

Approval of its Smart Meter Technology and Installation Plan,

Docket No. M-2009-2123951.

Dear Secretary Chiavetta:

Enclosed for filing are an original and three (3) copies of West Penn Power Company's Status Report on Outstanding Issues with regard to the above-referenced proceeding. Copies have been served as indicated on the attached Certificate of Service.

Thank you for your attention to this matter.

Very truly yours,

John F. Povilaitis

Enclosures

cc: The Honorable Mark A. Hoyer (via email and first class mail)
Certificate of Service

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of West Penn Power Company d/b/a Allegheny Power for Expedited Approval of its Smart Meter Technology And Installation Plan

Docket No. M-2009-2123951

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STATUS REPORT ON OUTSTANDING ISSUES

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

To the Honorable Mark M. Hoyer:

Pursuant to your request of February 2, 2011, West Penn Power Company, d/b/a
Allegheny Power ("Allegheny Power" or the "Company"), on behalf of the parties to this case
(the "Parties"), submits this Status Report on outstanding issues.

Background

On October 19, 2010, a proposed Joint Petition for Settlement of this docket ("Initial Settlement") was submitted to the Pennsylvania Public Utility Commission (the "Commission"). The proposed settlement was not unanimous and objections to the settlement were submitted by the Office of Small Business Advocate ("OSBA"), the Office of Trial Staff ("OTS") and the West Penn Power Industrial Intervenors ("WPPII"). In addition, Pennsylvania Communities Organizing for Change ("PCOC") Petitioned to Intervene in this proceeding. That Petition was initially opposed by OTS, but the objection by OTS was subsequently withdrawn. On December 8, 2010, the Commission issued a Secretarial letter directing further proceedings at this docket "to ensure that (1) the impact of the proposed [FirstEnergy Corp/Allegheny Energy, Inc] merger on the Plan is fully considered, and (2) the proposed Settlement has adequate support in the record."

As part of the resolution of the Company's amended EE&C/DR filing made September 10, 2010, WPPII agreed to withdraw its objections to the Initial Settlement. Settlement discussions among the parties continued and as of this date an agreement in principle has been reached in this proceeding, wherein all parties either support or do not object to a new settlement that amends in part the Initial Settlement. In addition, as part of the resolution of its objections to the Initial Settlement, a stipulation has been reached between Allegheny Power and OSBA. In view of these developments, the parties respectfully suggest that Your Honor consider adopting the following procedure to comply with the Commission's December 8, 2010 Secretarial Letter.

Proposed Procedure

- 1. The parties will complete drafting of an uncontested Amended Joint Petition for Settlement and submit it for review and approval by the Commission. In addition, a proposed stipulation between Allegheny Power and OSBA will also be filed with the Commission.
- 2. The Company will submit testimony for inclusion in the record that addresses the impact of the proposed FirstEnergy Corp/Allegheny Energy, Inc. merger. The testimony will also provide evidentiary support for all terms in the Amended Joint Petition for Settlement.
- 3. The Administrative Law Judge will either convene a hearing at which the Company can offer for the record the testimony required by the Commission's December 8, 2010 Secretarial Letter, or the testimony will be stipulated into the record via Motion.
 - 4. The Administrative Law Judge will rule on PCOC's Petition to Intervene.
- 5. The Administrative Law Judge will administratively advise the Commission that the proceedings directed by the December 8, 2010 Secretarial Letter have been completed and the Amended Joint Petition for Settlement and the Proposed Stipulation between Allegheny Power and OSBA are before the Commission for disposition.

Conclusion

The Parties respectfully request that Your Honor adopt the forgoing procedure to comply with the Commission's Secretarial Letter in this proceeding and will participate in any conference calls or Prehearing Conferences that are scheduled in this matter.

Dated: February 11, 2011

W. Edwin Ogden John F. Povilaitis

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of West Penn Power Company :

d/b/a Allegheny Power for Expedited : Docket No. M-2009-2123951

Approval of its Smart Meter Technology

And Installation Plan :

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing documents in accordance with the requirements of 52 Pa. Code § 1.54 et seq. (relating to service by a participant).

RECEIVED

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Date: February 11, 2011

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