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Gary A. Jack
Assistant General Counsel

November 18, 2011

VIA OVERNIGHT MAIL

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

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

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

Dear Secretary Chiavetta:

Enclosed for filing please find one (1) original and three (3) copies of a Status Update and Request for Extension of Filing Date for the submittal of Duquesne's final proposed Smart Meter Plan.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'G. Jack', written over a printed name and title.

Gary A. Jack
Assistant General Counsel

Enclosures

cc: Service List (via United States First Class Mail)

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Duquesne Light Company :
Smart Meter Procurement : **Docket No. M-2009-2123948**
And Installation Program :

**STATUS UPDATE ON DUQUESNE LIGHT'S RECOMMENDED SMART
METER PLAN WITH REQUEST FOR EXTENSION OF FILING DATE**

Duquesne Light Company ("Duquesne" or "Duquesne Light" or "Company") hereby files a Status Update of its recommended Smart Meter Procurement and Installation Plan ("Smart Meter Plan") and petitions, on an expedited basis, for a six month extension for its next proposed filing date for its final proposed Smart Meter Plan.

I. Background and Introduction

Duquesne filed its original Smart Meter Plan on August 14, 2009, which was approved with modifications by Commission Order dated May 11, 2010 in this proceeding. That order approved the steps and further analysis for Duquesne to undertake during a 30-month grace period to develop and obtain Commission approval for a comprehensive Smart Meter Plan.

During the grace period beginning June 2010, Duquesne analyzed many aspects of its proposed Smart Meter Plan, portions of which have been detailed in seven update filings made with the Commission by Duquesne beginning with its June 30, 2010 analysis of cost and benefits of various smart meter capabilities and ending most recently with a November 1, 2011 milestone filing on Installation of Meters, Outside Communications, and Training. Section II below sets forth a summary of the analysis and decisions that have been made to date regarding Duquesne's Smart Meter Program.

As part of the Commission's Order of May 11, 2010, the Company proposed, and the PUC accepted, a December 31, 2011 filing to detail the full cost, schedule, and final design of its proposed Smart Meter Program. Due to the continued review necessary to finalize the evaluations and make final determinations on several key smart meter issues, and, additionally, due to the magnitude of the costs and long term impact these decisions will have on its customers and the Company, Duquesne Light is respectfully requesting an additional six months to file its final plan pursuant to 52 PA Code Sections 1.15, 5.41, and the power of the Commission to modify its orders. The filing would be made by June 30, 2011. The six month extension for this final Smart Meter Program Plan filing will not affect Duquesne's ability or timing to comply with ACT 129 or PUC Orders. Further, there has been no strong demand for immediate smart meter installations from Duquesne customers as only one residential customer has requested smart meter technology during the grace period. Duquesne requests expedited consideration of this request since the originally proposed December 31, 2011 filing date is approaching, and requests that the Commission either consider this matter at its December 15, 2011 public meeting or rule as soon as review is complete by Secretarial Letter. Section VI outlined below lists the major items/issues still under review for which decisions have not been made.

II. Analysis during the Grace Period

Under Duquesne Light's first approval order on smart meters, Duquesne committed to undertake an extensive review, analysis, critique, and decision making process regarding what Smart Meter Plan would be best for customers from both a benefit and cost perspective.

For planning purposes, the scope of work for the grace period has comprised two major components: (a) billing and metering system upgrades (Component I) and (b) smart meter technology infrastructure program (Component II). For the billing and metering system upgrades, Duquesne focused on an upgrade to its existing billing and metering systems required to comply with smart meter requirements, utilizing the Oracle utilities practice project implementation methodology to address application functionality, pricing options mandated by the act, business transformation, data conversion, deployment, interfaces, IT infrastructure, project management, quality management, testing and training. Component I of the Smart Meter Plan was approved as part of the May 11, 2010 Order.

With respect to Component II, the smart meter technology infrastructure, Duquesne has focused on technical infrastructure, processes and systems to support the rollout of smart meters, including an analysis of virtually all functions within Duquesne that will support smart meter operation and functionality. During this phase, Duquesne has been performing gap analysis between current meter environment and the future smart meter environment, and been developing solutions to result in a final functioning product, including selection of vendors, network design, customer education, and internal training. Component II began in 2010 and the program design is planned to be completed and approved by the last quarter of 2012, with implementation beginning in 2013. While Duquesne received approval of the process in the May 11, 2010 Order, it was known and directed that the results of the work of the smart meter technology infrastructure would be submitted to the Commission at a later time for review and direction. It is this filing for which the extension is hereby requested.

III. Duquesne's Progress and Smart Meter Plan to Date

A summary of the work undertaken in the past 18 months is set forth below.

1. The Customer Care and Billing ("CC&B") and Meter Data Management System ("MDMS") implementation planning has been conducted and implementation is underway with scheduled completion in early 2013.
2. Advanced Metering Infrastructure System ("AMI")
 - Smart meter cost benefit analysis for minimum/additional PUC requirements
 - Assessment of Duquesne requirements and technology
 - Procurement: request for proposal, vendor evaluation and selection, contract negotiations
 - Established plans to design, test and certify EDI transactions, web access and direct access to customers
 - Phase 1: Proof of Concept ("POC") of 52 Meters (field test only)
 - Initial POC design
 - Itron Scope of Work and Contract signed
 - Meters and Cell Relays ordered
 - Collection Engine and IT set up, etc.
 - Potential Customer Confidence Pilot design for 20,000 to 30,000 meters
 - Established full cost estimate for vendor and Duquesne capital and O&M
3. Backhaul Communication
 - Assessment of Duquesne requirements and technology
 - Network Design: RF propagation analysis and site selection
 - Technology solution selection (3.65 GHz/900 MHz Solution)
 - Vendor Demonstrations
 - Established full cost estimate for vendor and Duquesne capital and O&M
4. Implementation Plan
 - Developed preliminary deployment schedule (Phases 2-4)
 - Established plans for installation, testing and rollout of support equipment, software, meters and communication infrastructure
 - Established Training Plan
 - Establishing Customer Outreach and Communication Plan
 - Town hall Meetings
 - Executive Roundtables
 - Internal Staff Presentations

It should be noted that for new construction and customer requests for immediate smart meter installation, Duquesne proposes reading new smart meters through its

existing Automated Meter Reading (“AMR”) system network until the new AMI network system is extended to customer locations. Daily reads will be provided until the transition is made from the old AMR system to the new AMI system.

IV. Anticipated Costs

The overall cost of the Duquesne smart meter program is expected to be less than originally projected. Current estimates for the program are in the range of \$150 million to \$240 million. For the previously approved Phase 1 and the initial work on Phase II, the grace period spend was estimated \$38 million. Currently, it is estimated that the actual grace period spend will approximate the estimate. A more detailed analysis and recitation of costs will be presented in the June 30, 2012 filing.

V. Previous Filings

Duquesne has made a number of filings since the issuance of its May 11, 2010 approval order. Those filings with the PUC are:

Milestone	Completed
Development of Cost/Benefit Analysis for additional PUC requirements	07-01-2010
Assessment of Potential AMI Technology Solutions (Vendor short-list)	12-31-2010
Selection of AMI Vendor (ITRON)	01-31-2011
Assessment of Potential Communication Network Solutions	03-31-2011
Assessment of Potential Data Access Solutions	06-30-2011
Establishment of plans for roll-out of supporting infrastructure components	09-30-2011
Establishment of plans for deployment of Smart Meters	11-01-2011

VI. Request and Reasons for Extension of Next Filing Date

The following table outlines the items still under review by Duquesne which all can have significant cost and beneficial impacts on the Company and its customers.

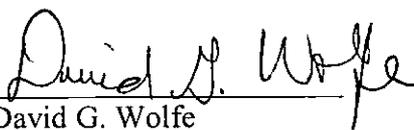
Item Under Review	Description
1. Disconnect/Reconnect Switches	Duquesne is currently evaluating cost/benefit justification for the inclusion of a disconnect/reconnect switch in single phase smart meters. The price adder for this feature is \$18M. Duquesne is working with its AMI vendor to determine whether this feature can be licensed and only paid for when utilized. Duquesne estimates the incremental cost adder to include this feature for back office systems is between \$500k-1M.
2. Ability to monitor voltage at each meter	Although Duquesne's AMI system will have the capability to monitor voltage at each meter, Duquesne needs to further determine the cost and benefit justification of the incremental costs to report data in a manner that allows an EDC to react to the information.
3. Granularity of Data	Although Duquesne can justify the incremental costs of more granular data (less than hourly) for specific customer needs, we need to further determine the cost and benefit justification of less than hourly interval data on a system wide basis.
4. Private versus Public Backhaul Communication	Duquesne is currently conducting a cost justification of public backhaul communication versus a private 3.65 GHz and 900 MHz backhaul communication network. There are a number of advantages to building a private network for use in future Distribution Automation and mobile workforce applications; however, this solution requires a large upfront capital expenditure versus an ongoing monthly expenditure to utilize the public network. In addition, Duquesne is still investigating the legal issues that surround the 200 MHz frequency band which was selected to be used, but has been replaced by 900 MHz for ease of spectrum purchase. Finally, the public backhaul communication option has recently lowered their pricing, thereby requiring additional consideration by Duquesne.
5. Deployment Schedule (3-10 years)	Duquesne is currently investigating the cost and customer impact of either extending or shortening the deployment schedule. Both total cost and annual capital investment requirements need further evaluation before an optimal deployment plan can be proposed to the PUC.

6. Consumer Education and Communication Plans	Further work, analysis, and decisions need to be performed by Duquesne and its contractors to determine the best recommended Consumer Education and Communication Plan to make this both a successful rollout and one that customers will understand and utilize.
7. Retail Market Investigation	An extension will allow Duquesne time to give consideration to potential issues that could emerge from the Retail Market Investigation.

VII. Conclusion

Duquesne Light has made extensive progress on its proposed Smart Meter Plan over the past 18 months, with many features, capabilities and system designs analyzed and recommendations finalized. However, there are a sufficient number of smart meter issues yet to be finalized before Duquesne can and should file with confidence to this Commission a request for final approval of its proposed Smart Meter Plan. The six month extension for this final Smart Meter Program Plan filing will not affect Duquesne’s ability or timing to comply with ACT 129 or PUC Orders. Further, there has been no real demand for immediate smart meter installations from Duquesne customers as only one residential customer has requested smart meter technology during the grace period. The magnitude of these costs and long term impact of these decisions are too great not to request the additional time necessary to ensure the best plan possible is developed, finalized, and proposed to the Commission for ultimate implementation. Accordingly, Duquesne requests a six month extension for the filing of its proposed final plan from December 31, 2011 to June 30, 2012, and requests expedited consideration of this request at the Commission’s December 15, 2011 public meeting or rule as soon as review is complete by Secretarial Letter

Respectfully Submitted,


David G. Wolfe



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Dated: November 18, 2011

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VERIFICATION

I, David Wolfe, state that I am authorized to make this Verification on behalf of Duquesne Light Company, being a director, Technology, that the facts and information set forth in the Duquesne Light Company Smart Meter Plan Status Update and Request for Extension of Filing Date are true and correct to the best of my knowledge, information and belief, and I expect to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to the penalties relating to unsworn falsification.

11-18-2011

Date

David G. Wolfe

David G. Wolfe

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DUQUESNE LIGHT COMPANY :
Smart Meter Procurement and : Docket No. M-2009-2123948
Installation Program :

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Status Update with Request for Extension of Filing Date for Duquesne's Smart Meter Program in the above-referenced proceeding has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant):

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Dated: November 18, 2011

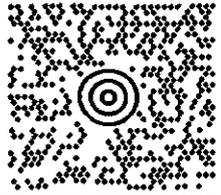
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