

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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IRWINA. POPOWSKY
Consumer Advocate

May 24, 2012

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

RE: Petition of PPL Electric Utilities
Corporation for Approval to Modify its
Smart Meter Technology Procurement and
Installation Plan and to Extend its Grace
Period
Docket Nos. M-2009-2123945
P-2012-2303075

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Answer in the above-referenced proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "James A. Mullins".

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066

Enclosures
cc: Certificate of Service
156744

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities Corporation	:	
for Approval to Modify its Smart Meter	:	Docket Nos. M-2009-2123945
Technology Procurement and Installation Plan and	:	P-2012-2303075
to Extend its Grace Period	:	

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE

I. INTRODUCTION

On May 4, 2012, PPL Electric Utilities Corporation (PPL or Company) filed a Petition with the Pennsylvania Public Utility Commission (PUC or Commission) requesting approval to implement eight new programs under its Smart Meter Plan (Plan) and make certain adjustments to existing programs under the Company's Smart Meter Plan. The Company also requests an extension of the initial Commission-authorized Grace Period to give the Company additional time to further test and evaluate the most cost-effective ways to meet the requirements of Act 129.¹ See, Petition at 1. With respect to the latter, the Company reasons that the Commission's Implementation Order (Smart Meter Procurement and Installation, Docket No. M-2009-2092655, Implementation Order entered June 24, 2009) provided electric distribution companies with a 30-month Grace Period to design and test smart meter technology, but reflects policy statement, rather than a binding norm.

¹ Act 129 of 2008, Oct. 15, P.L. 1592.

Regarding the eight new programs, PPL seeks Commission approval to include the costs of the new programs in the Company's Smart Meter Rider (SMR). Specifically, PPL will include its actual costs for these programs in its SMR when the Company makes the actual expenditures for the programs. With respect to existing programs, PPL proposes to make several adjustments to its Plan to address developments that have arisen since its August 2011 smart meter update filing.

Given the unique circumstances of PPL and particularly, the advanced stage of the Company's existing smart meter deployment program, the Office of Consumer Advocate (OCA) does not object to the Company's requested relief.

II. ANSWER

As stated in the Petition, PPL filed its initial Smart Meter Plan with the Commission in August of 2009. Petition at 6. In this Plan, the Company stated that it had begun full-scale deployment of an advanced metering system in 2002 and, beginning in 2005, had expanded the capabilities of its advanced metering system by installing a Meter Data Management System. Id. Consequently, the Company contended that its existing smart meter system was already able to support all of the capabilities set forth in the Commission's Implementation Order. Petition at 6. The Commission approved the Company's Smart Meter Plan in mid-2010, but determined that, as PPL's existing meter system did not fully provide certain required Act 129 functionalities, the Company should continue to identify, test, develop and implement cost-effective ways to directly provide metered usage data to customers. Petition at 2. Therefore, since that time, the Company has been implementing various pilot programs as approved by the Commission, while filing annual updates with the Commission (filed in August 2010 and August 2011) and meeting with interested stakeholders. Id.

Because the Company had already installed an advanced metering system throughout its service territory, unlike other EDCs, PPL has been able to evaluate ways to meet the Act 129 requirements without a large scale replacement of its system at this time. In particular, since the Commission's approval of its initial Smart Meter Plan, PPL has initiated a number of pilot programs including:

- Price and Usage Information Evaluation;
- Load Control;
- 15-Minute Interval Data;
- Voltage Monitoring; and
- Proactive Outage Detection.

Petition at 7. These pilot programs are intended to take advantage of the Company's current system abilities. As previously set forth, the Company has reported on the status of these programs (and others) on an annual basis. As explained below, the Company now seeks to implement eight new programs under its Plan.

In the instant Petition, PPL seeks to implement the following programs:

- 1) VCharge Pilot Project (\$550,000);
 - 2) Accelerated Supplier Switching (\$525,000);
 - 3) Real-time Pricing for Mid-Size Commercial and Industrial Customers (\$155,000);
 - 4) Meter Data Management System Data Warehouse and Analytics (\$1,475,000);
 - 5) Faster Data Presentment to Customers and Suppliers (\$180,000);
 - 6) Supplier Portal Pilot (\$110,000);
 - 7) Improved Validation/Editing/Estimation Process to Incorporate Outage Data (\$130,000);
- and

8) Outage Duration Pilot (\$185,000).

The total estimated cost of these pilots is \$3.3 million. As set forth by the Company, its continued evaluation of the Commission-approved Smart Meter Plan has led PPL to look for ways to further enhance smart meter technology for its customers. Petition at 8. The Company asserts that the implementation of these eight new pilot programs can further this goal.

Similarly, the Company proposes to adjust its Smart Meter Plan to address several technical issues that have arisen since the Company made its August 2011 Annual Smart Meter Plan Update filing. Petition at 17. According to the Company, these adjustments include delayed implementation of certain pilot programs to address technical issues and the production of revised cost estimates for certain programs. Id.

The OCA has reviewed the Company's Petition and does not object to the Company's request. PPL has already deployed advanced meters throughout its service territory and its customers are already able to receive benefits from this deployment. The additional pilot programs, as described, and the adjustments to existing pilots, should assist PPL in determining the most cost-effective means to meet all of the requirements of Act 129.²

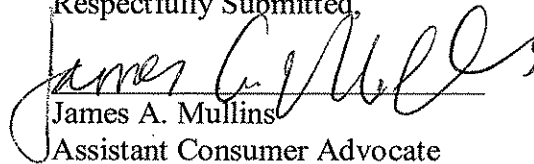
As set forth in the Petition, PPL filed annual updates of its Smart Meter Plan in August of 2010 and August of 2011, while also conducting bi-annual stakeholder meetings with interested parties to review and discuss the actions that the Company is taking under its Smart Meter Plan. Petition at 7. The OCA expects that these actions will continue so that progress of all of the programs--existing and proposed--can be reviewed. However, PPL should confirm this understanding. Likewise, PPL states that the cost changes will not result in a material change in the SMR and that the Company will update its proposed SMR charges in its August 1st update

² The OCA submits that the Grace Period extension also appears reasonable in light of the Company's efforts to comply with Act 129.

filing. Petition at 18. The OCA submits that PPL's clarification of its commitment to continue to provide Annual Reports and information to the Commission and the stakeholders ensures that program progress, as well as costs, will continue to be analyzed by PPL and interested stakeholders.

WHEREFORE, the Office of Consumer Advocate does not object to the relief requested in the Petition.

Respectfully Submitted,



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Dated: May 24, 2012
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CERTIFICATE OF SERVICE

Petition of PPL Electric Utilities Corporation :
for Approval to Modify its Smart Meter : Docket Nos. M-2009-2123945
Technology Procurement and Installation : P-2012-2303075
Plan and to Extend its Grace Period :

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

Dated this 24th day of May 2012.

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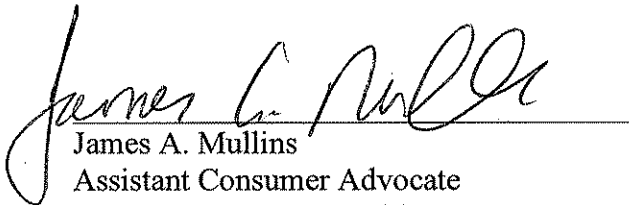
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