**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Duquesne Light Company :

for Approval to Modify its Smart : P-2015-2497267

Meter Procurement and Installation Plan :

**SECOND POST-HEARING ORDER**

Order to Suspend Litigation Schedule

and Schedule a Further Hearing

 On June 24, 2009, the Pennsylvania Public Utility Commission (Commission) entered its Implementation Order, at Docket No. M-2009-2092655, to assist Duquesne Light Company (Duquesne Light or the Company) and the other Electric Distribution Companies (EDCs) in complying with the requirements of Act 129 of 2008, 66 Pa.C.S.A. § 2807(f), et seq., which, among other matters, required EDCs to file with the Commission their respective smart meter procurement and installation plans.

Duquesne Light filed a Petition on August 4, 2015 seeking approval to modify its Smart Meter Procurement and Installation Plan. This Petition seeks to implement changes to the approved smart meter plan for the purpose of enhancing outage communication and voltage monitoring capabilities, and to recover the costs associated with those changes through the Smart Meter Charge.

On February 29, 2016, the presiding officer received the transcript of the initial hearing. Main briefs were filed by Duquesne Light, OCA and Citizen Power on or before March 17, 2016. Reply briefs were filed by Duquesne Light, OCA and Citizen Power on or before April 7, 2016. The hearing record closed on April 11, 2016, upon the issuance of the Interim Order Closing the Record.

On May 4, 2016, the presiding officer issued a Post-Hearing Order to reopen the hearing record and schedule a post-hearing telephonic conference for today. By the same order, I advised the parties that more cost information was needed in order to evaluate Duquesne Light’s proposed amendments to its Smart Meter Plan. The parties were advised Duquesne Light would be required to flesh out and separate smart meter costs from operational business enhancement costs. The presiding officer specified Duquesne Light would be required to answer four sets of questions, or point to the locations in the hearing record where the answers to these questions can be found.

On May 13, 2016, the Office of Administrative Law Judge scheduled a call-in telephonic post-hearing conference for Tuesday, May 24, 2016 in order to provide the parties with an opportunity to indicate if there was an agreement or objection to scheduling a further evidentiary hearing in order to submit additional information meant to answer the inquiries noted above. On May 23, 2016, the parties suggested litigation dates for the submittal of additional information.

On May 19, 2016, the presiding officer was advised that a separate docketed proceeding was filed by Duquesne Light on January 25, 2016 at a separate P-docket but under the same M-docket involved in this proceeding. The separate filing was entitled a Petition for Waiver and Suspension of Meter Testing Requirements under 52 Pa.Code § 57.20(e) and § 57.21(f) for Deployed Legacy Meters (referred to herein as the Legacy Meter Waiver), and was docketed at M-2009-2123948 and P-2016-2525790, respectively.

The Commission issued an Order in the Legacy Meter Waiver proceeding on May 19, 2016 that, *inter alia*, required a copy of the Order to be served on the parties to this proceeding. In addition, the Commission ordered the Legacy Meter Waiver should be correlated with the Smart Meter Plan. The same Order made statements concerning the treatment of legacy meters including how issues in the Legacy Meter Waiver proceeding impact the Smart Meter Charge, which is at issue in this proceeding. The Commission specifically required Duquesne Light to keep the presiding officer and parties in the “in the 2015 SMP proceeding, informed of its AMI deployment decisions regarding legacy meter testing.”

On May 24, 2016, the Administrative Law Judge conducted a post-hearing conference with the following parties represented: Duquesne Light Company; Citizen Power, Inc.; Office of Consumer Advocate; and Office of Small Business Advocate. At the post-hearing conference, the parties considered issues raised by the May 4, 2016 Order, agreed to suspend the litigation schedule and established a further litigation schedule. Lastly, the parties discussed whether information in previously-admitted written statements was properly characterized as “Confidential”.

 THEREFORE,

 IT IS ORDERED:

 1. That the litigation schedule established in the proceedings docketed at P‑2015-2497267 shall be suspended. The hearing record shall be supplemented with additional evidence from Duquesne Light Company and any other interested party to this proceeding to provide a response to the following inquiries:

1. How much of the reasonable and prudent costs of the installation of the OMS and ADMS relate to the voltage monitoring and outage communications capabilities and how much are related to providing the multitude of other functionalities?
2. How much of those costs should be recovered through the SMC?
3. Does Duquesne Light need to have a full-blown OMS and ADMS to provide the voltage monitoring and outage communication capabilities, or could those be provided through other means, or a more scaled-back process?
4. Without opining on the overall benefits of the systems, should rate payers be required to pay the costs of the OMS and ADMS on a full and current basis through the SMC, or are the non-smart meter functionality portions of those costs more appropriately recovered through base rates over a number of years?  Since the other EDCs – which also were required to implement smart meters – already had sophisticated OMS that were paid through base rates, should Duquesne Light rate payers now be required to pay for such an upgrade outside of the normal base rate process in order to add these two additional functionalities to their smart meters?

2. That Duquesne Light Company and any other interested party to this proceeding are ordered to serve Supplemental Direct Testimony by June 6, 2016, and Supplemental Rebuttal Testimony by June 24, 2016.

 3. That the Office of Administrative Law Judge’s Scheduler will issue a notice to the parties setting a Further Evidentiary Hearing for **Thursday, June 30, 2016, at 1:00 p.m.** in the Commission’s hearing room in Pittsburgh, Pennsylvania.

 4. That the portions of testimonies currently marked as “Confidential” in the following locations are now marked “Public”:

1. Duquesne Light Statement 2-R (Confidential Version) at pages 2, 8 at line 4, and 10.
2. Office of Consumer Advocate Statement No. 1 (Confidential Version) at pages 4, 5, 7-10, 12-14, and 17.
3. Office of Consumer Advocate Statement No. 1-S (Confidential Version) at page 7.

 5. That the parties will contact the Commission’s Pittsburgh office prior to June 29, 2016 in the event the parties agree to submit written statements without extensive cross-examination at the hearing on June 30, 2016.

Date: May 25, 2016

 Katrina L. Dunderdale

 Administrative Law Judge

**P-2015-2497267 - PETITION OF DUQUESNE LIGHT COMPANY FOR APPROVAL TO MODIFY ITS SMART METER PROCUREMENT AND INSTALLATION PLAN**

***(Revised 5/25/16)***

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