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August 1, 2014

VIA E-FILING

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

Re: Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of their Smart Meter Deployment Plans; Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993, M-2013-2341994

Dear Secretary Chiavetta:

On behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, I have enclosed for electronic filing the 2014 Smart Meter Technology Procurement and Installation Plan Annual Progress Report for the Period Ending June 30, 2014 with respect to the above-captioned proceedings.

Please contact me if you have any questions regarding the forgoing matters. Copies of this filing have been served as indicated in the attached certificate of service.

Very truly yours,

John F. Povilaitis /AMS

John F. Povilaitis

JFP/kra

Enclosure

cc: The Honorable Elizabeth H. Barnes (via email and first class mail)
Bureau of Audits (via first class mail)
Bureau of Technical Utility Services, Reliability and Emergency Preparedness Section
(via first class mail)
Certificate of Service

**Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Metropolitan Edison Company
Pennsylvania Electric Company
Pennsylvania Power Company
West Penn Power Company**

**Docket No. M-2013-2341990
Docket No. M-2013-2341994
Docket No. M-2013-2341993
Docket No. M-2013-2341991**

**2014
ANNUAL PROGRESS REPORT
SMART METER TECHNOLOGY PROCUREMENT
AND INSTALLATION PLAN
(For The Period Ending June 30, 2014)**

August 1, 2014

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I. INTRODUCTION

Pursuant to the Implementation Order entered by the Pennsylvania Public Utility Commission (“Commission”) on June 24, 2009 in Docket No. M-2009-2092655,¹ FirstEnergy Corp.’s Pennsylvania electric distribution companies – Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power) and West Penn Power Company (West Penn) (collectively “Companies”) -- submit this status report for the period ending June 30, 2014 (“Reporting Period”). This report provides an overview of the Companies’ development of their Smart Meter Deployment Plan, as well as an update on events that have taken place since the Companies’ last report submitted on July 27, 2011 in Docket No. M-2009-2092655.² Given that the deployment plan was approved in late June 2014, actual deployment did not commence until after the end of the Reporting Period on June 30, 2014. Therefore, there is no significant information on actual deployment included in this report. However, as more fully discussed below, the Companies anticipate installing approximately 50,000 meters by the end of 2014 and an additional 120,000 meters during 2015 in Penn Power’s service territory. As of June 30, 2014, the Companies have spent \$71.4 million, with \$29.7 million in capital and \$41.7 million in O&M.

	Capital (\$million)	O&M (\$million)	Total* (\$million)
IT Hardware/ Software	\$ 22.1	\$ 0.9	\$ 23.0
IT Labor/ Contractor	\$ 1.8	\$ 11.6	\$ 13.4
Bus. Unit Labor/ Contractor	\$ 0.0	\$ 27.9	\$ 28.0
Bus. Unit Other	\$ 0.7	\$ 1.3	\$ 2.0
Meter Installation	\$ 5.1	\$ 0.0	\$ 5.1
Total	\$ 29.7	\$ 41.7	\$ 71.4

* Totals may not add due to rounding

I.I DEPLOYMENT PLAN DEVELOPMENT

In accordance with Pennsylvania Act 129, on December 31, 2012, the Companies filed a Smart Meter Deployment Plan (“Original Deployment Plan”) that the Commission approved with slight modifications through an Opinion and Order entered on March 6, 2014 (“Order”). Prior to the issuance of the Order, the Companies noted in their exceptions to the Administrative Law Judge’s November 8, 2013 Recommended Decision that the smart meter deployment schedule as proposed in the Original Deployment Plan could be accelerated. The Commission’s March 6, 2014 Order indicated that if the Companies wished to pursue an accelerated deployment schedule, they “should promptly submit an amended [Deployment] Plan, with proper supporting documentation, with the Commission to properly provide the opportunity for all affected Parties, as well as [the] Commission, to fully evaluate and comprehend this proposal.”

On March 19, 2014, the Companies filed the Revised Deployment Plan which reflected the Commission’s modifications to the Original Deployment Plan consistent with the Order and which also proposed to

¹ *In re Smart Meter Procurement and Installation*, Docket No. M-2009-2092655, Implementation Order, p. 14 (Entered June 24, 2009).

² Inasmuch as the Companies’ deployment plan was subject to Commission review during the period from December 31, 2012 through June 25, 2014, no status reports were filed in 2012 and 2013. Now that the Companies’ deployment plan has been approved, these reports will be filed annually.

accelerate the deployment of smart meters in each of the Companies' respective operating companies. On June 5, 2014, the Commission unanimously adopted a Joint Motion approving the Revised Deployment Plan as submitted and the Order was entered on June 25, 2014.

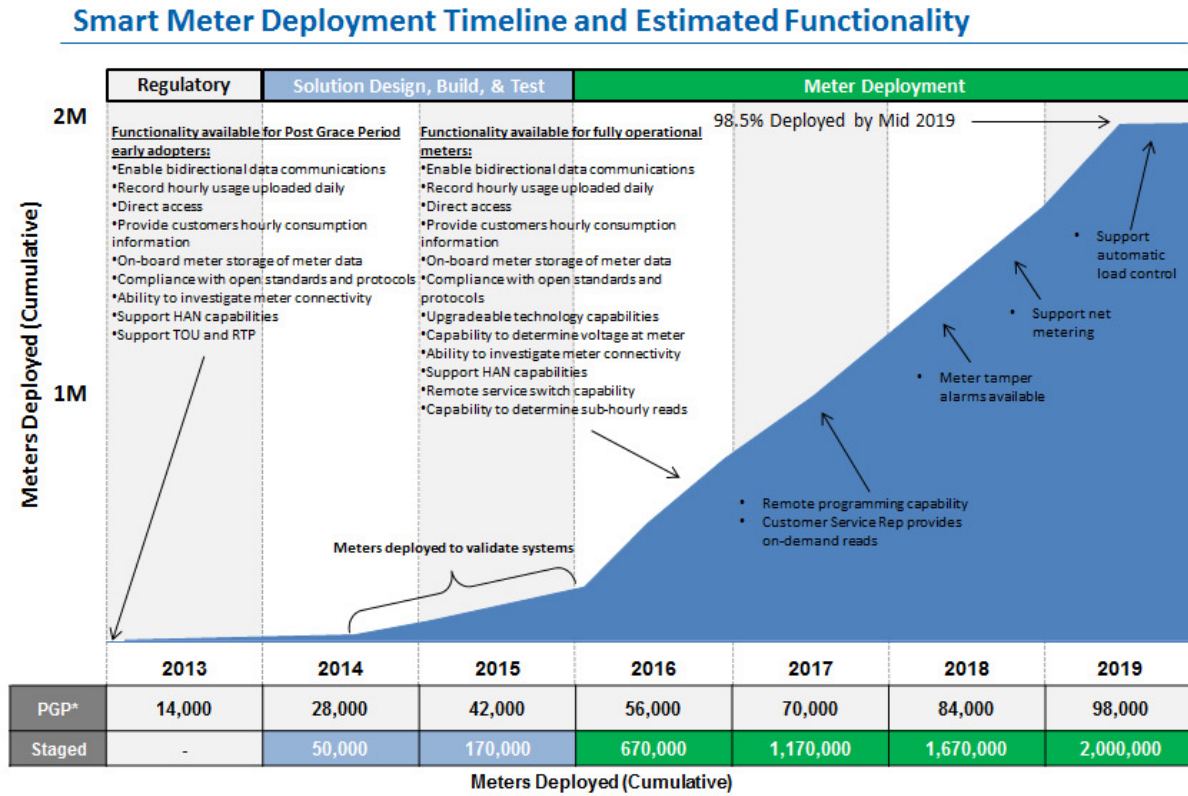
I.II REVISED DEPLOYMENT PLAN

The Revised Deployment Plan as approved begins with a Solution Validation Stage with the purpose of, among other things, testing an end-to-end smart meter "mini-system" and resolving as many system problems as possible in a controlled environment before beginning full scale deployment in the remaining operating companies. The Solution Validation Stage contemplates the complete build out of Penn Power's service area, comprised of approximately 170,000 meters in 18 months – with 50,000 meters and related infrastructure expected to be installed during the second half of 2014, and the remainder expected to be installed by the end of 2015. The Full-Scale Deployment Stage would then commence upon completion of the Solution Validation Stage, which is currently contemplated to occur in early 2016. As a result, the Solution Validation Stage will end, and the final Full Scale Deployment Stage will begin, one year sooner than contemplated under the Original Deployment Plan.

The Revised Deployment Plan also makes it possible for approximately 98.5% of all smart meters to be installed by mid-2019, with the remainder expected to be installed no later than the end of 2022. With the earlier installation of the smart meter network infrastructure, the Revised Deployment Plan should allow the capabilities and functionalities of the smart meters to be available earlier than contemplated in the Original Deployment Plan.

As filed, the illustration on the next page (Figure 1: Smart Meter Deployment Timeline) summarizes the Companies' projected deployment schedule as well as the projected time line for functionality. As explained in the Companies' approved deployment plan, while the meters upon installation will be capable of providing all meter functionality required by PA Act 129 and the Commission's Implementation Order, actual functionality will become available upon completion, optimization and acceptance of the communication network in the deployment area.

Figure 1: Smart Meter Deployment Timeline



II. REGULATORY

II.I REGULATORY ACTIONS

The program team continued to meet regulatory obligations as part of the PA Smart Meter Program. As noted in the Introduction and in the chart below (Figure 2: PA Smart Meter Regulatory Milestones), the program team focused much of its time during the Reporting Period on obtaining the necessary deployment plan approvals. While approval was pending, the team also focused on continuing the Post-Grace Period (PGP) and new construction deployment. Additional details for PGP and new construction can be found in the Deployment section of this report (Section VI).

Consistent with the Commission’s June 25, 2014 Opinion and Order in which the Revised Deployment Plan was approved, the Companies expect to continue with regulatory activities into 2015, focusing on the resolution of issues involving:

- Communications plan
- Customer privacy policy
- Involuntary remote termination
- Voluntary remote disconnections
- Cyber-security
- Customer installation issues

Figure 2: PA Smart Meter Regulatory Milestones

Jan-Sep, '13	Oct-Dec, '13	Jan-Mar '14	Apr-Jun '14
<ul style="list-style-type: none">• 12/31/12: Companies' Deployment Plan filed• 5/8/13: Evidentiary Hearing	<ul style="list-style-type: none">• 10/9: Communications Plan to OCA and other interested parties• 11/8: ALJ Recommended Decision issued• 12/3 Exceptions to Recommended Decision filed• 12/12: Reply Exceptions filed	<ul style="list-style-type: none">• 3/6: Commission approved Original Plan with minor modifications• 3/19: Revised Deployment Plan filed	<ul style="list-style-type: none">• 4/3: Stakeholder meeting on Communication Plan• 5/7: Evidentiary Hearing/ Oral Rejoinder on Revised Plan• 5/15: ALJ – Evidentiary Record is certified• 6/25: Opinion and Order approving Amended Plan entered

III. PROGRAM MANAGEMENT

III.I PROGRAM GOVERNANCE

The Companies understand that program governance is essential to efficient and effective AMI planning and implementation. As a result, the Companies focused a significant amount of time and resources on the development of the Companies' Program Management Office ("PMO"). Before establishing its Program Management Office (PMO), the program team held several benchmarking sessions with other utilities involved in AMI projects, incorporating leading practices from those utilities into the PMO development. The PMO is responsible for proper governance around work planning, risk/cost/resource/facility management, and contract/deliverable management. In addition, the Companies retained Accenture, Inc. ("Accenture") and Harbourfront Group, Inc. ("Harbourfront") to provide experience and support to the program governance processes.

Key activities to date

- Information provided to the Commission Bureau of Audits on smart meter criteria and controls used to determine appropriate allocation of the Companies' employee labor costs for recovery through the SMT surcharges pursuant to its request.
- Addressed policies, procedures and protocols involving customer privacy and customer smart meter disputes, which will be shared with interested stakeholders in an upcoming meeting.
- Established dedicated site for SMIP Test Lab and Operations Center in Connellsville, PA (Dunbar facility). The Dunbar facility will house the smart meter lab to test smart meters and associated network equipment. This facility includes a dedicated meter inventory, a staging area for all smart meter network equipment prior to deployment, and a Smart Meter Operations Center (SMOC), which will be the command post for monitoring the entire smart meter system as it goes on line. Work is on-schedule as of June 30, 2014.

III.II FINANCIAL ANALYSIS / COST RECOVERY

In response to PA Act 129 and subsequent Commission Orders, the Companies initiated a detailed assessment and planning effort in preparation for the implementation of smart meters and AMI technologies. The Companies, in conjunction with Accenture and Harbourfront, are making progress on the development of a detailed smart meter financial analysis model ("Financial Model") to estimate and analyze the future costs and potential operational cost savings associated with the Deployment Plan. The Companies expect to continue development of this Financial Model in the upcoming year, factoring in information obtained as the Solution Validation Stage gets underway.

III.II.a Cost Recovery Overview / SMT-C Filing

The Commission approved the Companies' SMT-C Riders which include SMT-C rates calculated separately for the residential, commercial, and industrial customer classes, and are expressed as a non-bypassable monthly customer charge to all metered customer accounts except for West Penn's residential customer class, which is billed on a dollar per kilowatt-hour basis. Consistent with the Commission Order entered June 9, 2010 at Docket No. M-2009-2123950, all customers eligible for the installation of a smart meter are charged the following rates, regardless of whether they currently have a smart meter installed at their premises:

Figure 3: Rider Impacts by User Category and Company

Op Co	Residential		Commercial		Industrial	
	Range	Average	Range	Average	Range	Average
Met-Ed	\$0.91 - \$4.59	\$2.36	\$0.96 - \$5.27	\$2.89	\$1.05 - \$6.24	\$3.52
Penn Power	\$0.44 - \$5.30	\$2.56	\$0.47 - \$6.35	\$3.09	\$0.78 - \$8.15	\$4.13
Penelec	\$0.76 - \$4.50	\$2.26	\$0.76 - \$4.50	\$2.72	\$0.95 - \$6.10	\$3.35
West Penn	\$0.70 - \$4.92*	\$2.64	\$1.09 - \$5.73	\$3.27	\$2.03 - \$6.73	\$4.30

*Reflects charges on a kWh basis rather than a flat charge.

Consistent with Commission directives, these rates will be adjusted through a filing made August 1, 2014. Similarly, as approved by the Commission in its March 6, 2014 Opinion and Order in Dockets No. M-2013-2341990, M-2013-2341991, M-2013-2341993, M-2013-2341994, the Companies, effective with bills rendered on or after July 1, 2014, no longer reflect the SMT-C charge as a separate line item on the residential customer's bill. Instead, this charge is now part of the customer charge for Met-Ed, Penelec, and Penn Power or the distribution charge for West Penn.

III.II.b Benefits Realization

The Companies, in conjunction with Accenture and Harbourfront, have been working on developing a benefit tracking tool and reporting process which will be operational prior to the realization of actual operational cost savings.

The Companies are analyzing and expect to continue to analyze the potential for operational cost savings arising from various sources, including, at a minimum, potential savings from meter reading, meter services, back office, call center, theft reduction, revenue enhancement, avoided capital costs and distribution operations. The Companies are in the process of developing processes, procedures and protocols for tracking, measuring and flowing back actual operational cost savings realized through these and other potential cost savings sources. Information gained as the Solution Validation Stage gets underway will supplement this analysis and development. The Companies do not anticipate the realization of actual operational cost savings until sometime in late 2016.

III.III VENDOR SELECTION (CONTRACTS AND STAFFING)

In order to develop their smart meter implementation plan, the Companies implemented a competitive procurement process for experienced consultants. The vendors were selected based on their experience in prior AMI efforts, abilities to execute and deliver the required scope of work and provide overall support of the Companies' needs and requirements. Accenture, Itron, and Wellington Energy, Inc. (Wellington) were chosen for the work described below:

Key activities to date

- Selected Accenture to support the program management functions, providing templates and industry-leading practices, in order to develop, track and report deliverables. The scope of work includes business processes updated for AMI; testing; communications, education and training; program management and governance
- Selected Itron for meter and network equipment delivery, network design and performance, meter data management (MDUS) and the end-to-end smart meter system in compliance with PA Act 129 and implementation orders

- Selected Wellington for meter installation and verification, inventory and warehousing control, management of union installers, and handling certain customer calls during deployment (for appointment scheduling, complaints and customer notifications)

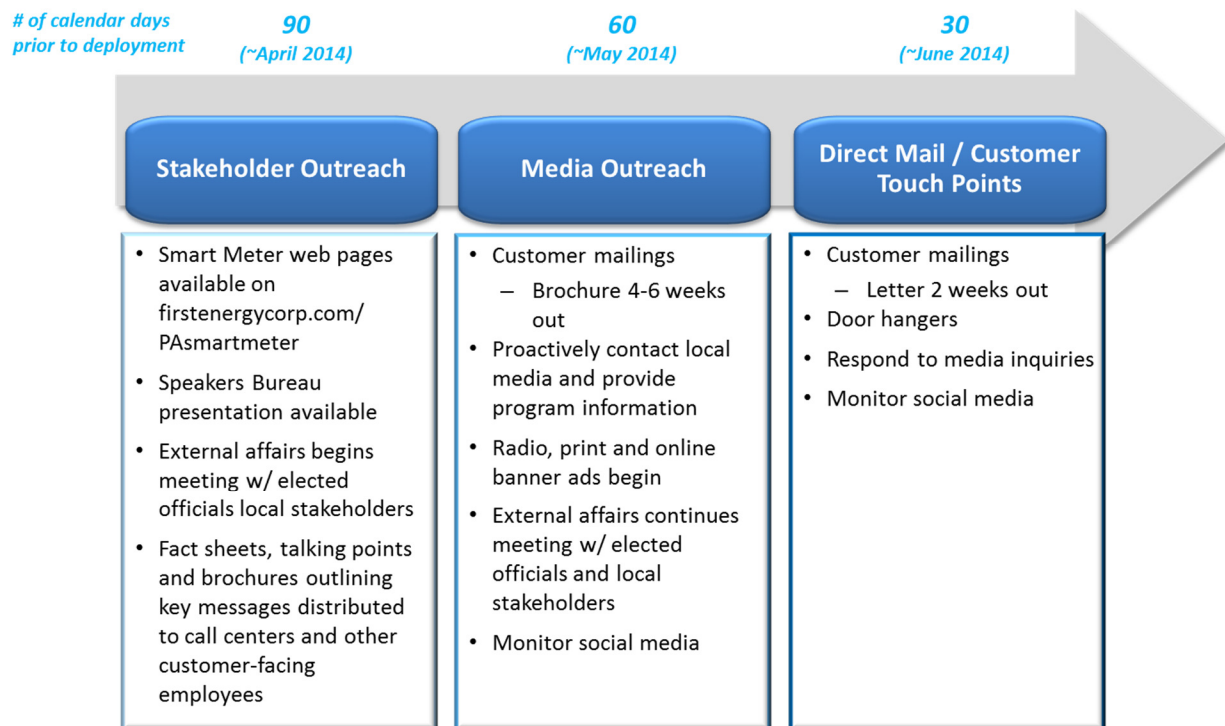
IV. BUSINESS READINESS

IV.I COMMUNICATIONS AND CUSTOMER ENGAGEMENT

The program team developed a Communications Plan for external parties, including the Commission, public officials, interested stakeholders and consumers, with a goal of educating customers, managing expectations, providing pertinent status updates, and vetting, when appropriate, issues that are identified during the Solution Validation Stage.

Customer communications will follow a “90-60-30” day strategy (see Figure 5: Communications Plan below), in which materials will be distributed to customers based on the deployment plan and in accordance with the Companies’ Communications Plan which was approved by the Commission on June 5, 2014 in Dockets No M-2013-2341990, M-2013-2341991, M-2013-2341993, M-2013-2341994.

Figure 4: Communications Plan



Key activities to date

- Reviewed the Communications Plan with key stakeholders in Harrisburg on April 3, 2014
- Received Commission approval of the Communications Plan on June 5, 2014
- Published smart meter Frequently Asked Questions (FAQs) via the FirstEnergy website (made available via mailing, if requested). These FAQs cover topics including:
 - How smart meters work
 - Benefits of smart meters
 - Installation and deployment overviews
 - Where to go for additional information
- Made available web pages focused solely on the PA smart meter program via FirstEnergy’s website in March of 2014 including Fact Sheets on

- a. Radio Frequency
 - b. Privacy
- Developed talking points to answer customer questions and provided the talking points to all customer-facing employees
- Developed customer materials to notify customers of upcoming installations
 - Brochures (distribution began in May 2014)
 - Installation letters (distribution began in June 2014)
 - Print ads and online banners ads (began in June 2014)
 - Door hangers (distribution planned beginning July 2014)
 - Field installer cards (given to installers to hand to customers who have questions)
- Developed processes to distribute customer materials. These processes were signed off by key stakeholders and were implemented in preparation for deployment.

IV.II EDUCATION – EMPLOYEE TRAINING AND AWARENESS

In addition to customer education, the Companies dedicated resources to employee training and awareness.

Key activities to date

- Trained over 900 internal stakeholders to prepare for deployment activities
- Distributed awareness communications to field employees, contact center and other key audiences
- Engaged key leadership throughout the Companies in program activities and status
- Published smart meter FAQs, talking points, customer materials and program status on the internal FirstEnergy website

IV.III BUSINESS PROCESS REDESIGN TO ACCOMMODATE AMI OPERATIONS

Business process redesign workshops were held to identify, develop and finalize processes and technology capabilities that will support AMI operations throughout the program and into steady-state activities. Processes were identified and grouped based on smart meter requirements as identified by PA Act 129 and the Implementation Order. As the program team continues working through these processes, the team is continually making sure that process and technical impacts from potential future AMI uses (such as Remote Service Switch, theft and outage integration) are taken into consideration.

Key activities to date

Business Processes were developed and put in place to enable and support deployment. Workshops will be held as meters and field area network devices are deployed to update business process decisions, as necessary. Completed workshops on the following topics and issues:

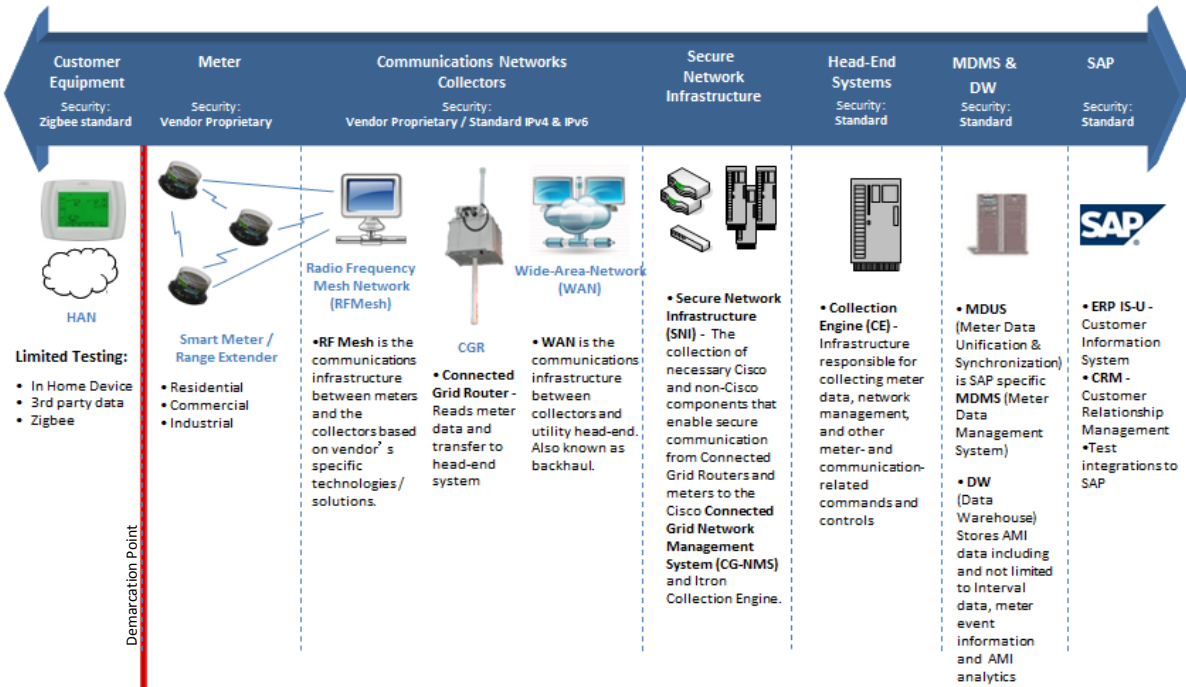
- Customer interactions and communications
 - Disputed installation
 - Customer contact center (the Companies and Wellington)
- Deployment enablement
 - Meter procurement and testing
 - Return material authorization

- Return to utility
 - The Companies/Wellington smart meter installation
 - Pre-sweep
- Deployment support
 - Investigate meter
 - Meter provisioning
- Smart Meter Operations Center (SMOC)
 - Incident identification and problem management
 - SMOC monitoring
 - SMOC operations management

V. END-TO-END SOLUTION

The following diagram (Figure 6 The Companies' AMI Solution) shows the major components within The Companies' AMI solution, which was approved as part of the Deployment Plan.

Figure 5: The Companies' AMI Solution



The solution is comprised of the following key components, starting from the meter:

Smart meters – The meters collect, store and transmit total consumption data, interval data and meter events to core applications after configuration, and communicate with Home Area Networks (HANs).

Key activities to date

- Initial meter configurations completed and tested
- Inventory processes established at the Wellington warehouse and initial shipments received
- Smart meter installation beginning July 2014

Communication Network Collectors – The Connected Grid Routers (CGRs) and Range Extenders (REs) that read and transmit meter data and events to the Collection Engine (CE). The Companies' solution leverages Itron's Radio Frequency (RF) Mesh technology.

Key activities to date

- Validated field trial communication technology (third quarter 2012 to first quarter 2013). Tested the RF Mesh Network with 400 meters
- Shipped first CGRs to the Cranberry line shop
- Planned for communications network build-out (July 2014)

Wide Area Network (WAN) – This network (also known as the Backhaul communications network) is the communication system between the collectors and the Collection Engine and includes data center equipment and control software. Smart meter information is transmitted through a Secure Network Infrastructure (SNI).

Key activities to date

- Installed and tested the SNI
- Started monitoring the communications network

Collection Engine (CE) – The CE software collects and delivers information from the meters via the collectors to the Meter Data Unification and Synchronization (MDUS).

Key activities to date

- Installed and tested the CE
- Started monitoring the CE

Meter Data Unification and Synchronization (MDUS) – The MDUS provides for storage of meter data from smart meters, including interval meter reads, and processes raw meter data with Validate, Edit and Estimate (VEE) algorithms for utilization in corporate systems, such as billing and customer service. The MDUS will be integrated with utility billing and customer care software (such as SAP’s solution for utilities which is used by the Companies) following the Solution Validation Stage.

Key activities to date

- Started meter data management validation leveraging Itron’s hosted MDUS in second quarter of 2012
- Started design activities for meter data management system

Home Area Network (HAN) – The HAN is a network contained within a user’s home that communicates information to customer-owned in-home devices (IHDs) such as in-home displays.

The red line in Figure 6, depicts the demarcation point between the Companies’ infrastructure and the customer-owned equipment.

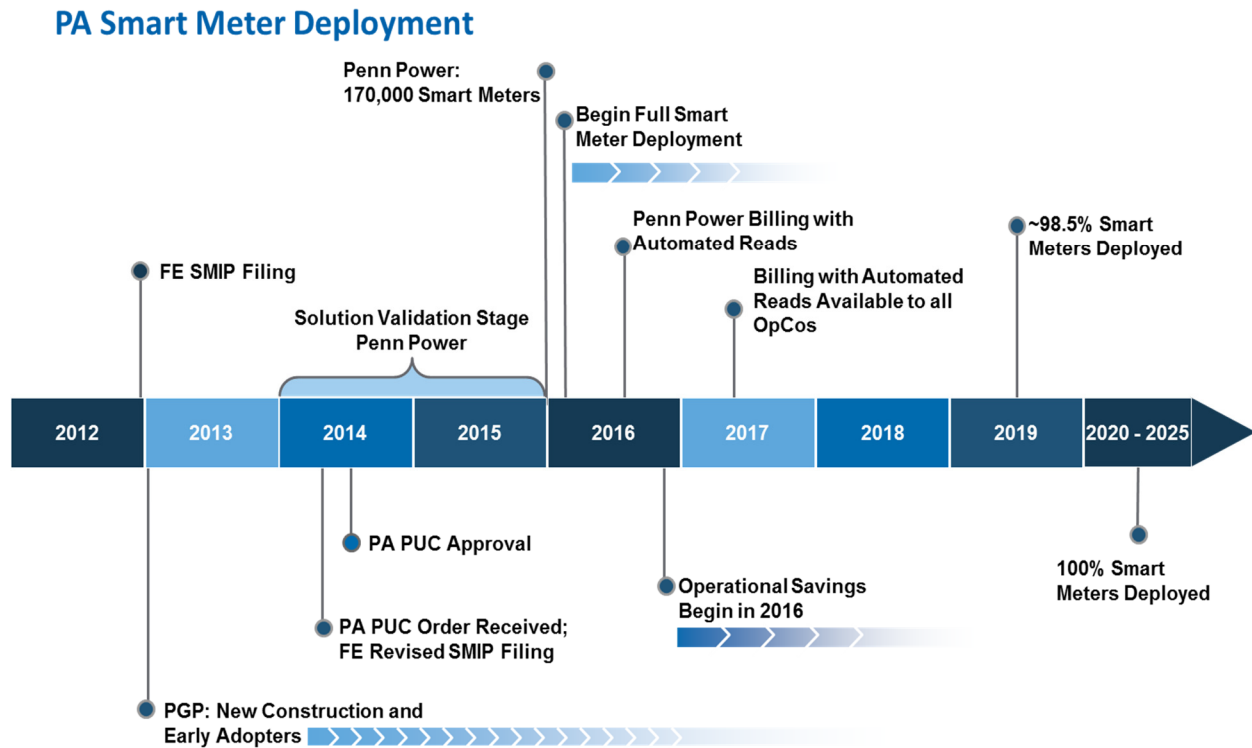
Key activities to date

- Tested and began the list of IHDs that have demonstrated compatibility with the Companies’ systems
- Supported early adopter HAN capabilities

VI. DEPLOYMENT

The Companies approved deployment strategy involves three distinct stages: (i) the Post Grace Period (PGP) Stage; (ii) the Solution Validation Stage; and (iii) the Full Scale Deployment Stage. The figure below (Figure 6: PA Smart Meter Deployment) shows these stages.

Figure 6: PA Smart Meter Deployment



VI.I DEPLOYMENT STRATEGY

VI.I.a Post Grace Period (PGP)

The PGP Stage, which commenced in January 2013 and will conclude with the completion of deployment, addresses not only the need to provide smart meters for all new service requests received on or after January 1, 2013 (New Construction) and for all customers requesting a smart meter prior to their scheduled installation date (Early Adopters), but also addresses contract negotiations, final RFPs and other pre-deployment activities.

New Construction: For new construction where a temporary or permanent service application is received on or after January 1, 2013, the customer is provided a smart meter included in the recommended technology solution, which will eventually be able to communicate with the smart meter network infrastructure. Customers are not billed additional fees for the meter or other installation costs beyond those charged to all metered customers through the Smart Meter Technologies Charge Rider. During the period between smart meter installation and the build-out of the smart meter network in the area where a New Construction smart meter installation occurs, neither the communication functions of the meter

nor smart meter functionality are available and meter reads are done manually using existing meter reading and billing procedures.

Early Adopters: For Early Adopters, once the customer paid the incremental costs for the meter and related installation, a Point-To-Point (PTP) smart meter that meets the basic PA Act 129 functionality requirements is installed. This smart meter communicates via a public cellular network and provides on-line access to validated meter data within 24-48 hours and access to un-validated meter data via a direct access interface to a device that is part of the HAN. Meter reads for billing purposes continue to be done manually using existing meter reading and billing procedures until the smart meter network infrastructure becomes available at the customer's location and the PTP meter is replaced with the smart meter selected as part of the smart meter technological solution.

Key activities to date

- 12,724 new construction meters installed as of June 27, 2014
- One Early Adopter as of June 30, 2014

VI.Ib Solution Validation Stage

The Solution Validation Stage incorporates two activities: the build-out of the infrastructure needed to install smart meters and a testing period in which a "mini version" of the end-to-end smart meter solution is constructed and tested prior to Full Scale Deployment. The stage will begin with the installation of smart meters in the Penn Power service territory and consist of related non-production testing. This stage started in July, 2014 and will continue until the end of 2015. The Companies hope to accomplish the following objectives during the Solution Validation Stage:

- Solution Validation Stage will meet the commitments of the Companies' revised deployment plan. This plan provides the roadmap for meeting PA Act 129, the Implementation Order and the Companies' senior management directives
- Solution Validation Stage will ensure end-to-end testing of the components within the AMI solution *prior to moving to full deployment*. This stage includes both the processes and technologies for the AMI solution
- Solution Validation Stage will build-out the infrastructure needed to install smart meters. This is the installation of meters, collectors, network communications and meter data management systems
- Solution Validation Stage will be a testing period in which a "Penn Power end-to-end version" or "mini-system" of the Companies' comprehensive Pennsylvania end-to-end smart meter solution will be constructed and tested prior to full scale deployment. This "mini-system" will be set-up for Solution Validation Stage testing and for support of other releases
- Solution Validation Stage will help identify key lessons that can be incorporated into full meter deployment and subsequent releases including Billing Enablement (which will follow in the third quarter of 2016 for Penn Power and the first quarter of 2017 for West Penn Power, Penelec and Met-Ed)
- Solution Validation Stage will provide insight into areas of potential operational cost savings and methods to track and report the same
- Solution Validation Stage will provide the experience and learnings for the smart meter team to recommend a decision to move ahead with full deployment or re-evaluate

Build-Out Activities. This period began in mid-July 2014 after the Commission approved the Revised Plan and will continue for approximately two years. During this period, the Companies will construct the smart meter solution infrastructure, or backbone, for the Penn Power "mini system," including the installation

of meters, collectors, range extenders, network communications and meter data management systems for testing.

Solution Testing Activities. As the infrastructure starts to be built out, the Companies and Wellington will install meters in the Penn Power service territory. This territory was selected because it includes the types of challenges the Companies anticipate encountering during full deployment. It is currently expected that approximately 50,000 meters will be installed in 2014 and another 120,000 in 2015 to allow for testing of scalability and resolution of communication, functionality and installation problems encountered in a contained and controlled environment, thus minimizing costs of deployment and customer frustration. Only after all such problems are resolved will the Companies commence the final stage, Full Scale Deployment, currently anticipated to begin in early 2016. During the Penn Power deployment, the Companies intend to communicate at least semi-annually with all interested stakeholders on the Penn Power deployment activities in order to keep stakeholders informed and seek input as issues arise. Through this process, the Companies will collaborate with interested stakeholders on any further changes to their deployment plans. The first such stakeholder meeting is scheduled for August 6, 2014.

Key activities to date

- Pre-sweep work began in the Cranberry service area in March 2014 and was completed in May 2014
- Deployment team received daily reports of the new deteriorated condition codes collected by meter readers. The majority of conditions found were related to either detached or rusted sockets (these are not unusual or out-of-the-ordinary situations). Meter readers were trained in advance of pre-sweep to recognize and note new condition codes as part of the program
- Started to perform on-cycle billing meter read prior to and post a smart meter exchange (as part of the leading practice from other AMI deployments)
- High-level installation schedule was posted in June 2014 on FirstEnergy's PA Smart Meter webpage: www.firstenergycorp.com/content/customer/help/pa-smartmeter/schedule.html
- Completed Wellington field, safety and communications training for meter installers

VI.Ic Full Deployment Stage

The Full Deployment Stage will commence upon resolution of all problems encountered during the Solution Validation Stage and will continue until all meters are installed on or before December 31, 2022. During this stage, the remainder of the smart meter infrastructure will be concurrently built in each of the Companies' service areas, starting with the most populated areas first. The Companies expect to install approximately 98.5% of all meters between January 1, 2016 and mid-2019, with the remaining 1.5% of the meters being installed thereafter through December 31, 2022. The 1.5 % are those installations that may require alternative communication solutions or difficult to reach locations such as remote cabins. While the meters upon installation will be capable of providing all meter functionality required by PA Act 129 and the Commission's Implementation Order, actual functionality will become available upon completion of the communication network in the area, currently expected to lag installation by approximately three months.

VII. SMART METER OPERATIONS CENTER

As part of its smart metering program, the Companies have also been establishing the Smart Meter Operations Center (“SMOC”), which is the operations center that manages meter Field Area Network technology and time-sensitive data to provide service assurance by coordinating visibility into the health of AMI systems. The objectives of the SMOC are:

- Deliver consistent and reliable meter information for use by upstream systems to meet business requirements and enable regulatory compliance
- Optimize Field Area Network availability and reliability
- Contribute to, maintain and adhere to continuous and proactive Field Area Network security policies
- Collaborate with Deployment to monitor and confirm Sector Acceptance
- Initiate issue resolution to support the meter Field Area Network (e.g., field work orders)
- Support future initiatives (e.g., On-demand Reads, Outage Management, Voltage Reporting)

Key activities to date

- Established Operations Center which includes daily monitoring of metering and network performance
- Conducted training for new SMOC operators
- Developed operating procedures to support deployment and monitoring of network activity

VIII. CONCLUSION AND LOOK AHEAD

Absent unforeseen events occurring in the future, the Companies anticipate completing the Solution Validation Stage consistent with the time line set forth in this report. Below are some of the key activities expected to be completed through 2015:

VIII.I HIGH LEVEL VIEW OF ACTIVITIES FOR REMAINDER OF 2014, 2015

- Meter deployment throughout Penn Power
- Network equipment installation throughout Penn Power
- Continuation of build-out of SMOC to monitor status and health of network and meters
- Future additional internal audit work planned for third quarter of 2014
- Begin transformer-rated meter installation in October 2014
- Optimization/range extender installation targeted for November 2014
- Deploy range extenders beginning fourth quarter of 2014, continuing throughout deployment
- Solution Validation Stage targeted for completion by end of 2015
- Continue information-sharing sessions with peer utility companies

Here are the major milestones following Solution Validation Stage. The program team continues to look for additional opportunities for smart meter functionality.

- Billing using smart meter usage is targeted for third quarter of 2016 with the Smart Meter Billing Enablement release
- Direct Access (via customer portal and HAN) and Remote Programming capabilities (for non-early adopters) are targeted for third quarter of 2016
- Remote Service Switch (RSS) functionality is targeted with the RSS release (assessment is proposed to be completed in 2015; implementation will follow in 2016 and ongoing)
- Outage Communications Support (OCS) functionality will be further defined with the OCS roadmap (assessment is proposed to be completed in 2015; implementation will follow in 2016 and ongoing)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison	:	
Company, Pennsylvania Electric Company,	:	Docket Nos. M-2013-2341990
Pennsylvania Power Company and	:	M-2013-2341991
West Penn Power Company for Approval	:	M-2013-2341993
of their Smart Meter Deployment Plan	:	M-2013-2341994

CERTIFICATE OF SERVICE

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

VIA FIRST CLASS AND ELECTRONIC MAIL

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