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April 10, 2015

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

**RE: Catherine Frompovich v. PECO Energy Company**  
**PUC Docket No.: C-2015-2474602**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is *PECO Energy Company's Preliminary Objections to the Formal Complaint* with regard to the matter referenced above.

I have enclosed a Certificate of Service showing that a copy of the above document was served on the interested parties. Thank you for your time and attention on this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Shawane Lee", with a stylized flourish at the end.

Shawane Lee  
Counsel for PECO Energy Company

Scheduling Recommendation: **NOT CALL OF THE DOCKET**

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**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**CATHERINE FROMPOVICH**

**Complainant**

**v.**

**PECO ENERGY COMPANY**

**Respondent**

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**DOCKET NO. C-2015-2474602**

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**NOTICE TO PLEAD**

Pursuant to 52 Pa. Code §§ 5.101 and 5.62(c), you are hereby notified that, if you do not file a written response denying or correcting the enclosed Preliminary Objections of PECO Energy Company within 20 days from service of this notice, a decision may be rendered against you. All pleadings, such as a Reply to Preliminary Objections, must be filed with the Secretary of the Pennsylvania Public Utility Commission, with a copy served to counsel for PECO Energy Company, Shawane L. Lee, and where applicable, the Administrative Law Judge presiding over the issue.

File with:

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

With a copy to:

Shawane L. Lee, Esq.  
PECO Energy Company  
2301 Market Street, S-23  
Philadelphia, PA 19103

Dated at Philadelphia, PA, April 10, 2015



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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>CATHERINE FROMPOVICH</b>	:	
<b>Complainant</b>	:	
<b>v.</b>	:	<b>DOCKET NO. C-2015-2474602</b>
	:	
<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	
	:	

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**PRELIMINARY OBJECTION OF RESPONDENT,  
PECO ENERGY COMPANY**

Respondent, PECO Energy Company (“PECO Energy”), pursuant to 52 Pa. Code § 5.101(a)(4) respectfully petitions this Honorable Commission to dismiss the instant Complaint as legally insufficient.

1. On March 31, 2015, PECO Energy was served with a formal complaint filed by Catherine Frompovich (hereafter “Complainant”). A copy of the Complaint is attached hereto as Exhibit “1”.

2. In essence, the Complainant is requesting to “opt out” of smart meter installation because of health and safety concerns.

3. PECO Energy simultaneously filed an Answer and the instant Preliminary Objection.

4. Pursuant to 52 Pa. Code § 5.101, preliminary objections may be filed against a complaint and dismissed for legal insufficiency. 52 Pa. Code § 5.101(a)(4).

5. Commission procedure regarding the disposition of preliminary objections is similar to that utilized in Pennsylvania civil procedure. Equitable Small Transportation

Intervenors. v. Equitable Gas Co., 1994 Pa.PUC LEXIS 69, Docket No. C-00935435 (July 18, 1994).

6. In deciding preliminary objections, the Public Utility Commission must determine, based on the factual pleadings of the petitioner, if relief or recovery is possible. Roc v. Flaherty, 527 A.2d 211 (Pa. Cmwlth 1985).

7. A complaint must be able to recover under the law to survive a preliminary objection. Milliner v. Enck, 709 A.2d 417, 418 (Pa. Super. Ct. 1998) (“preliminary objection should be sustained only where it appears with certainty that, upon the facts averred, the law will not allow the plaintiff to recover”).

8. All of the non-moving party’s averments must be taken as true for the sake of deciding the preliminary objection. County of Allegheny v. Commw. of Pa., 490 A.2d 402 (Pa. 1985).

9. The court does not, however, need to accept, “unwarranted inferences from facts, argumentative allegations, or expressions of opinions.” Feingold v. McNulty, 2009 Phila. Ct. Com. Pl LEXIS 167, \*3.

10. Section 703 of the Public Utility Code, 66 Pa. C.S.A. § 703(b) provides that the Commission may dismiss any complaint without a hearing if, in its opinion, a hearing is not necessary to the public interest.

11. A hearing is required only when there is a disputed question of fact, and is not required to resolve questions of law. Dee-Dee Cab, Inc. v. Pa.Pub. Util. Comm’n, 817 A.2<sup>nd</sup> 593 (Pa.Commw. Ct. 2003), petition for allowance of appeal denied, 836 A.2d 123 (Pa. 2003).

12. Here, there are no genuine issues of fact and PECO Energy is entitled to judgment as a matter of law with respect to all of the allegations in the Complaint.

**I. Legal Insufficiency – Prior Commission Approval of Smart Meter Installation**

13. The Complainant has requested that she be permitted to “opt out” of the smart meter installation at her residence due to health and safety concerns. PECO Energy’s Smart Meter installation plan was approved by the Pennsylvania Utility Commission on May 6, 2010, as a part of the Smart Meter Technology Procurement and Installation Plan, (“Smart Meter/Smart Grid Plan”) at docket number M-2009-2123944.

14. By way of background, Governor Edward Rendell signed Act 129 of 2008 into law on October 15, 2008. The Act took effect 30 days thereafter on November 14, 2008, and amended Section 2807 of the Public Utility Code. Among other things, the Act specifically directed that electric distribution companies (such as PECO Energy) with more than 100,000 customers file smart meter technology procurement and installation plans with the Commission for approval. See 66 Pa. C.S. § 2807(f). The statute does not provide customers with an option to “opt out” of smart meter installation.

15. On June 18, 2009, the Commission adopted a Smart Meter Procurement and Installation Implementation Order (“Implementation Order”) to establish the standards each plan must meet and to provide guidance on the procedures to be followed for submittal, review and approval of all aspects of each smart meter plan. See Smart Meter Procurement and Installation Implementation Order, entered on June 24, 2009, at Docket No. M-2009-2092655.

16. Specifically, the Commission’s Implementation Order states:

Act 129 requires EDCs to furnish smart meter technology (1) upon request from a customer that agrees to pay the cost of the smart meter at the time of the request, (2) in new building construction, and (3) in accordance with a depreciation schedule not to exceed 15 years. 66 Pa.C.S. § 2807(f)(2).

\*\*\*\*\*

The Commission believes that it was the intent of the General Assembly to require all covered EDCs to deploy smart meters system-wide when it included a requirement for smart meter deployment “in accordance with a depreciation schedule not to exceed 15 years.”

**THEREFORE,  
IT IS ORDERED:**

1. That the Commission establishes specific smart meter technology minimum capabilities and procedures for submittal, review and approval of all aspects of each smart meter plan to include cost recovery.
2. That electric distribution companies with greater than 100,000 customers adhere to the guidelines for smart meter technology procurement and installation identified in this Implementation Order.
3. That the Director of Operations convene a stakeholder meeting no later than July 17, 2009, to discuss issues related to the costs and benefits associated with the Commission imposed smart meter capability requirements.
4. That all electric distribution companies that are required to file a smart meter technology procurement and installation plan file such a plan consistent with the directives contained in this order by August 14, 2009.

See id.

17. The Commission’s Order does not have a provision for customers to “opt out” of the smart meter installation.

18. Through its Implementation Order and policies, the Commission has approved the smart meter implementation process required by Act 129.

19. Indeed, Pennsylvania PUC Chairman, Robert F. Powelson stated:

Act 129 of 2008 has really paved the way for the rollout of smart meters, also referred to as Advanced Metering Infrastructure (AMI), and the implementation of Act 129 continues to benefit Pennsylvania customers. As I see it, smart meter technology is a “win-win” situation for the Commonwealth – both electricity customers and electricity providers alike reap the benefits of advanced meters.

See PaPUC Chairman Powelson on Smart Meters and Pennsylvania's Energy Future at <http://www.smartgridlegalnews.com/interviews/papuc-chairman-powelson-on-smart-meters-and-pennsylvanias-energy-future/>

20. On August 14, 2009, PECO Energy filed with the Commission its Petition of PECO Energy Company for Approval of its Smart Meter/Smart Grid Plan.

21. Amongst other things, PECO Energy's Petition requested that the Commission approve the deployment of up to 600,000 smart meters. See PECO Energy's Smart Meter/Smart Grid Petition.

22. As a part of PECO Energy's meter deployment plan, the company committed to deploy 600,000 meters by March 2013, upon receiving American Recovery and Reinvestment Act funding from the Department of Energy. See id.

23. PECO Energy's Implementation plan does not give customers the option to "opt out" of smart meter installation.

24. By Order entered May 6, 2010 at Docket No. M-2009-2123944, the Commission approved PECO Energy's Smart Meter/Smart Grid Plan.

25. The Commission's Order approving PECO Energy's plan does not provide an "opt out" provision.

26. In conjunction with the Commission's Implementation Order; the Commission-approved Smart Meter/Smart Grid Plan and continuing compliance with Act 129, PECO Energy has deployed over 194,000 Advanced Metering Infrastructure ("AMI") meters in customer's homes and businesses.

27. Act 129, the Commission's Implementation Order; and PECO Energy's Commission-approved Smart Meter/Grid Plan do not provide customers the ability to "opt out" of having a smart meter installed in their homes or businesses. See 66 Pa. C.S. § 2807(f). See

also Smart Meter Procurement and Installation Implementation Order, at Docket No. M-2009-2092655. See PECO Energy's Smart Meter/Smart Grid Plan at docket number M-2009-2123944.

28. The absence of an "opt out" provision in the existing statute; Implementation Order; and Smart Meter/Smart Grid Plan is underscored by a recent bill introduced at the General Assembly.

29. House Bill 2188, which was introduced on February 8, 2012, seeks to change the existing law by adding an "opt out" provision. Specifically, House Bill 2188 reads as follows:

*Section 2807(f) of Title 66 of the Pennsylvania Consolidated Statutes is amended by adding a clause to read:*

*§ 2807. Duties of electric distribution companies.*

\* \* \*

*(2) Electric distribution companies shall furnish smart meter technology as follows:*

*(iii) In accordance with a depreciation schedule not to exceed 15 years.*

*(iv) Customers may request to opt out of receiving smart meter technology under subparagraph (iii) by notifying, in writing, the electric distribution company. Meters for customers who opt out will be replaced according to a useful life depreciation schedule.*

30. House Bill 2188 attempts to address individual customer concerns about the smart meter (such as the Complainants' concerns) by allowing individual customers to "opt out" of receiving smart meter technology on the mandatory schedule established by Act 129.

31. In addition, State Representative Mike Reese introduced House Bills 393 and 394 to repeal the AMI mandate and permit customers to "opt out".

32. The "opt out" provisions in House Bills 2188, 393 and 394, however, have not been scheduled for a vote by the General Assembly, and the ability to opt out of smart meter installation is not currently permissible under the law.



33. Accordingly, the Complainants' formal complaint, requesting the ability to "opt out" of smart meter installation should be dismissed as a matter of law.

34. Administrative Law Judge Joel H. Cheskis reached a similar conclusion in the matter Maria Povacz v. PECO Energy, Docket No. C-2012-2317176 (Order entered September 28, 2012). In that case, the Complainant, Maria Povacz requested to "opt out" of installation of the smart meter at her residence. Id.

35. ALJ Cheskis issued an Initial Decision wherein he determined:

To the extent that Ms. Povacz desires the ability to opt out of the smart meter installation, she should advocate for such ability before the General Assembly.....The formal Complaint process against one Electric Distribution Company, PECO, is not the appropriate avenue for this issue to be addressed.

Id.

36. On January 24, 2013, the Commission issued a Final Order, adopting ALJ Cheskis' Initial Decision. In the Order, the Commission specifically addressed whether a PECO customer could "opt out" of meter installation at their property as follows:

There is no provision in the Code, the Commission's Regulations or Orders that allows a PECO customer to "opt out" of smart meter installation, as the Complainant desires to do. Accordingly, unless and until House Bill 2188, supra, passes the General Assembly, or some other provision is put in place that specifically allows customers to opt out of smart meter installation, PECO has not violated any provision of the Code, any Commission Order or Regulation or any Commission-approved Company tariff by prohibiting the Complainant from opting out.

See Maria Povacz v. PECO Energy, Docket No. C-2012-2317176 (Order adopted January 24, 2013).

37. The PUC precedent for formal complaints filed against PECO Energy in similar cases, requesting smart meter "opt out" have been dismissed on Preliminary Objection as a matter of law. See e.g. Theresa Gavin v. PECO Energy, Docket No. C-2012-2325258 (Order

entered January 24, 2013); Jeff Morgan v. PECO Energy, Docket No. C-2013-2356606 (Final Order entered July 23, 2013); Thomas McCarey v. PECO Energy, Docket No. C-2013-2354862 (Final Order entered September 26, 2013); Renney Thomas v. PECO Energy, Docket No. C-2012-2336225 (Final Order entered December 31, 2013); Ellen Donnelly v. PECO Energy, Docket No. F-2013-2330663 (Final Order Entered March 18, 2014); Louise Francis v. PECO, C-2014-2451351 (Order entered March 3, 2015).

38. Like the formal complaints filed in the Maria Povacz, Theresa Gavin and Jeff Morgan, Thomas McCarey, Renney Thomas, and Ellen Donnelly and Louise Francis matters, objecting to the installation of the smart meter and requesting an “opt out”, this case should be dismissed as a matter of law.

39. The Complainant’s formal complaint alleges that she does not want the meter installed because of health and safety concerns.

40. Assuming that everything the Complainant alleges in her Complaint is true, PECO Energy is operating under the basis of Act 129 and the specific direction given to the company by the legislature and the Commission through the Commission’s Implementation Order.

41. The Complainant’s Complaint, objecting to the installation of a smart meter at her residence, does not allege a violation of any order, law or tariff that can be the basis of any finding against PECO Energy.

42. Further, as the law currently stands, pursuant to Act 129 and the Commission’s Implementation Order, customers do not have the ability to “opt out” of smart meter installation.

43. Because PECO Energy’s smart meters are being deployed in compliance with the Commission-approved Smart Meter/Smart Grid Plan, and the law does not provide for the

Complainants to “opt out” of smart meter installation, there is no legal basis for the Complainant’s Complaint.

44. Further, PECO has the right to terminate a customer’s service for failure to permit access to install the Smart Meter.

45. Pursuant to Section 10.5, PECO Energy has a right to access the premises of a customer at all reasonable times for the purpose of installing, removing or changing any or all equipment belonging to the company. See Section 10.5 of PECO Electric Service Tariff.

46. Section 18.3 of PECO Energy’s tariff, permits the company to terminate a customer for cause if access to the meter is refused. See Section 18.3 of PECO Electric Service Tariff.

47. PECO Energy’s Commission approved tariff is prima facie reasonable and has the full force and effect of law. 66 Pa.C.S. § 316; *Kossmann v. PA PUC*, 694 A.2d 1147 (Pa Cmwl’t 1997); *Brockway Glass Co. v. PA. PUC*, 437 A.2d 1067 (Pa. Cmwl’t 1981).

48. In this case, the Complainant is refusing the installation of the Smart Meter; therefore, she is subject to termination consistent with Section 10.5 and 18.3 of PECO’s tariff.

49. Therefore, the Complainant is not entitled to relief under the law.

50. For the reasons set forth above, the Complainant’s Complaint should be dismissed as a matter of law.

**REQUEST FOR RELIEF**

WHEREFORE, for the reasons set forth above, PECO Energy Company respectfully requests that your Honorable Commission summarily dismiss the Complainant's formal complaint, and all issues which were raised in the Complaint.

Respectfully submitted,



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**BEFORE THE  
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**CATHERINE FROMPOVICH**

**Complainant**

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**VERIFICATION**

I, Shawane L. Lee, hereby declare that I am counsel for PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing Pleading are true to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. § 4904 pertaining to false statements to authorities.

Date: April 10, 2015



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Shawane L. Lee

**BEFORE THE  
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	:	
<b>PECO ENERGY COMPANY</b>	:	
<b>Respondent</b>	:	
	:	

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**CERTIFICATE OF SERVICE**

I, Shawane L. Lee, hereby certify that I have this day served a copy of PECO Energy Company's Answer in the above matter upon all interested parties by mailing a copy, properly addressed and postage prepaid to:

Catherine Frompovich  
23 Cavendish Drive  
Ambler, PA 19002

April 10, 2015



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