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August 1, 2023

VIA ELECTRONIC FILINGRosemary 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 No. M-2013-2341990, M-2013-2341991, M-2013-2341993 and
Docket No. M-2013-2341994

Dear Secretary Chiavetta,

On behalf of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company (collectively, the “Companies”), I have enclosed for electronic filing the Annual Progress Report Smart Meter Technology Procurement and Installation Plan for the twelve months ended on June 30, 2023, as prescribed by the Implementation Order entered by the Pennsylvania Public Utility Commission on June 24, 2009, at Docket No. M-2009-2092655. This report provides an update on events that have taken place since the Companies’ last report submitted on August 1, 2022, at Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993 and M-2013-2341994, for the twelve-months ended June 30, 2022 (“Prior Reporting Period”).

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

Very truly yours,



Daniel A. Garcia

DG/mlr
Enclosures

cc: As Per 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**

**2023
ANNUAL PROGRESS REPORT
SMART METER TECHNOLOGY PROCUREMENT
AND INSTALLATION PLAN**

(For the Twelve-Months Ended June 30, 2023)

August 1, 2023

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I. INTRODUCTION

Pursuant to the Implementation Order entered by the Pennsylvania Public Utility Commission (“Commission”) on June 24, 2009, at Docket No. M-2009-2092655,¹ Metropolitan Edison Company (“Met-Ed” or “ME”), Pennsylvania Electric Company (“Penelec” or “PN”), Pennsylvania Power Company (“Penn Power” or “PP”) and West Penn Power Company (“West Penn” or “WPP”) (collectively, the “Companies”) submit this smart meter progress report for the twelve-months ended June 30, 2023 as related to the implementation of their approved smart meter deployment plan (“Approved Deployment Plan”).² This report provides an update on events that have taken place since the Companies’ last report submitted on August 1, 2022 at Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993 and M-2013-2341994, for the twelve-months ended June 30, 2022 (“Prior Reporting Period”).

II. CURRENT REPORTING PERIOD ACTIVITIES

For the 12 months ended June 30, 2023, the Companies continued to transition the project to day-to-day, “steady state” operations in a timely and cost-effective manner.

For this reporting period the Companies continued to focus on (i) “fine tuning” the back office systems and updating portions of said systems as necessary and consistent with the Approved Deployment Plan; (ii) working toward completing the Non-Standard Installations³ using the communication systems that are currently available given the mesh network technology and the current AT&T and Verizon backhaul infrastructure; (iii) addressing disputed installations consistent with both the Companies’ and Commission’s current policies; and (iv) maintaining readiness

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

² The Commission approved this plan in the case of the *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company For Approval of Their Smart Meter Deployment Plan*, Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993, and M-2013-2341994 (Order entered June 25, 2014).

³ “Non-Standard Installations” are considered to be those smart meters that are either difficult to access, communication challenged, and / or represent complex installations, such as MV90 replacements.

to utilize the remote connect/disconnect procedures when ultimately approved by the Commission.^{4 5} Below is a discussion of the status of each:

Back Office Systems: During the reporting period ended June 30, 2023, the Companies completed further upgrades to the back office systems. In the September 2022, December 2022, March 2023 and June 2023 back office-related system releases, billing functionality was enabled to support batch process automation, Fieldnet, Rider K, and EDI HIU Enhancements.

Deployed Installations: As of June 30, 2023, the Companies have installed the following:⁶

Company	Meters (000s)	CGRs	REs	Bill Cert (000s)
Met-Ed	596	340	638	596
Penelec	598	687	4,327	597
Penn Power	174	119	575	174
West Penn	748	586	4,234	748
Total	2,115	1,732	9,774	2,114

Smart Meter Deployment Status: As of June 30, 2023, a total of ~2,114,000 meters have been installed and bill certified. All of the remaining meters cited in our last Annual Progress Report have been installed and bill certified except for those with challenged communications (716), supply-side constraints (22), and disputed installations (78).⁷

60 Amp Round Meter Socket Repairs: For the reporting period ending June 30, 2023, there were no additional round meter sockets identified, and thus all known 60 Amp round meter sockets have been repaired. The total identified and repaired 60 Amp round meter sockets for customers as part of this project totaled 74,369.

⁴ A Commission Order has been issued as of July 3, 2023 which will allow the Companies to begin utilization of this functionality.

⁵ Companies' 2019 Annual Progress Report, p. 6.

⁶ In the following table, CGRs is the abbreviation for Connected Grid Routers, REs is the abbreviation for Range Extenders, and Bill Cert represents the number of meters that are fully certified as having all smart meter functionality.

⁷ Challenged communication meters are defined as meter locations that are not accessible with either a public cellular network or smart meter mesh network at this time. Disputed installation meters are locations where the customer has filed a formal or informal complaint to the Commission regarding acceptance of a smart meter. Supply-side constraint meters are those locations in which a unique smart meter replacement is not available at this time.

Remote Connect / Disconnect (“RCD”) Procedures: On May 31, 2023, an Initial Decision was issued granting the Joint Petition for Settlement in the Companies Joint Petition for the Approval of Involuntary Remote Disconnect Procedures.⁸ On July 3, 2023, a final Order was issued affirming the Decision granting the Joint Petition for Settlement without Modification.⁹

Continuing Recovery of Costs and Benefits:

As a result of the Commission orders in the 2014 and 2016 Rate Cases,¹⁰ the Companies have been recovering the smart meter revenue requirements through base rates. The Commission-approved settlements allowed the Companies to recover through the Smart Meter Technologies Charge (“SMT-C”) Riders any costs incurred that exceed those in base rates. Smart meter related costs began exceeding the revenue requirement in base rates for all four operating companies in June 2019. The incremental cost amounts are being booked and will continue to be recovered through the SMT-C Rider in the next SMT-C Computation Year (January 1 through December 31, 2024) in accordance with the terms and conditions of the Companies’ tariffs.

Benefits Realization:

For purposes of measuring savings related to the installation of smart meters, baselines of pre-existing cost levels were identified in the 2014 and 2016 Rate Cases for the following categories: (1) Meter Reading; (2) Meter Services; (3) Back Office; (4) Contact Center; (5) Reduction of Theft of Service; (6) Revenue Enhancements; (7) Avoided Capital Costs; (8) Distribution Operations; and (9) Load Research.¹¹ When actual costs are less than the established baselines, those savings flow through the Companies’ SMT-C Rider rates.

⁸ *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company for the Approval of Their Remote Disconnect Procedures*, Docket No. P2019-3013979 *et al.* (Oct. 31, 2019).

⁹ *Id.* (Order entered July 3, 2023)

¹⁰ The Commission approved partial settlements on January 19, 2017, in *Pennsylvania Public Utility Commission v. Metropolitan Edison Company, et al.*, Docket Nos. R-2016-2537349 (Met-Ed), R-2016-2537352 (Penelec), R-2016-2537355 (Penn Power), and R-2016-2537359 (West Penn) (hereinafter collectively, “2016 Rate Cases”).

¹¹ The Companies’ established baselines for various categories of potential savings in the 2014 Rate Cases. These baselines were updated in the 2016 Rate Cases.

As of June 30, 2023, the Companies have captured approximately \$137 million in cumulative operational cost savings. For the twelve months ended June 30, 2023, the Companies recognized incremental savings of almost \$22.2 million, most of which is attributable to meter reading efficiencies. Other savings occurred in the back office because of fewer billing issues needing to be resolved. Below is a summary of the incremental savings realized during the reporting period ending June 30, 2023:

<i>\$ in Millions</i>	Penn Power	Met-Ed	Penelec	West Penn	Total
Meter Reading	\$ 1.2	\$ 7.2	\$ 5.6	\$ 8.2	\$ 22.2
Back Office	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Total	\$ 1.2	\$ 7.2	\$ 5.6	\$ 8.2	\$ 22.2

On or about August 1, 2023, the Companies will file their respective SMT-C Rider rates and tariff supplements for Commission approval, which are proposed to be effective on January 1, 2024, consistent with the terms and conditions of the SMT-C Riders. These savings will be reflected in those rates.

Cost Allocation of SMIP Costs Among FirstEnergy Utilities In Other States:

In its March 6, 2014 Order, the Commission ordered the Companies “to provide a report with their next SMT-C filing that identifies expenditures on all components of their [Approved Deployment] Plan that have the potential to benefit their sister utilities in other states when they begin deploying smart meters and that describes the method through which the Companies will receive credit from FirstEnergy Service Company for those expenditures.”¹² The Commission further ordered “that to the extent any system upgrades are currently being utilized by the Companies’ sister utilities, the Companies are directed to properly allocate those costs to the sister utilities.”¹³

During the reporting period ended June 30, 2023, FirstEnergy’s New Jersey operating company, Jersey Central Power & Light Company, began deploying smart meters as of part of a 1.1M smart meter deployment scheduled to be completed by December 31, 2025. As noted in the PA Companies previous report, the three Ohio operating companies (Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, the “Ohio

¹² *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company For Approval of Their Smart Meter Deployment Plan*, Docket Nos. M-2013-2341990, M-2013-2341991, M-2013-2341993, and M-2013-2341994, p. 47 (Final Order entered March 6, 2014).

¹³ *Id.*

Companies’)) have completed the first phase of a smart meter project (i.e. Grid Mod I) that will serve approximately 715,000 of the Ohio Companies’ 2.1 million customers.^{14 15}

Consistent with the Commission’s Order, the PA Companies will continue to look for opportunities to transfer smart meter-related assets to those sister companies that will begin to share benefits from common smart meter-related expenditures on a prorated smart meter count basis. For the twelve months ending June 30, 2023, the PA Companies have not identified any additional incremental smart meter-related assets that would be shared with sister companies.

III. LOOK AHEAD

Except for the few remaining special circumstances noted above,¹⁶ the Companies continue to operate the end-to-end smart meter system in a steady state environment. The Companies have found that there are a small number of smart meters (approximately 715 as of this writing) that will not be able to connect to the mesh network given its current level of saturation throughout the Companies’ service territories. The Companies will continue to address smart meter issues as they arise and continue to monitor expansion of public wireless networks of both AT&T and Verizon Wireless, so that they can finish connecting the relatively few remaining communication-challenged smart meter locations.¹⁷ The Companies will continue to address customer complaints related to smart meter installations given the mandate of PA Act 129 and related Commission Orders.

IV. CONCLUSION

In summary, the Companies have completed implementation of the smart meter deployment consistent with the Approved Deployment Plan. The number of meters

¹⁴ See generally, *In re Filing by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for a Grid Modernization Plan, et al.*, Case Nos. 16-481-EL-UNC, 17-2436-EL-UNC, 18-1604-EL-UNC, 18-1656-EL-ATA, Opinion and Order (PUCO July 17, 2019) and resultant Stipulation And Recommendation filed with the PUCO on 11/19/2018.

¹⁵ Also note: During the reporting period, the Ohio Companies made an initial filing with the PUCO to deploy an additional ~700k smart meters in their respective service territories. As of June 30, 2023, there has been no further activity with regard to this filing and it is now the expectation that additional smart meters will not be deployed until at least the 2025 timeframe.

¹⁶ Reference Smart Meter Deployment Status section on page 2 of this report.

¹⁷ As the public cellular networks continue to expand in the PA Companies’ service territories, so too will the mesh network expand and strengthen.

installed, as well as the deployment costs and benefits to date, generally align with the overall projections included in the Approved Deployment Plan.¹⁸ The Companies have not encountered any significant problems with any of the components selected as part of their smart meter solution and the end-to-end smart meter system is operating as expected. The Companies would like to thank the Commission Staff and interested stakeholders for their input and cooperation, which contributed greatly to making this project a success.

EXHIBIT A: Smart Meter Costs and Metrics¹⁹

Cumulative as of June 30, 2023

SMART METER COSTS:

<i>\$ in Millions</i>	Capital	O&M	Total
IT Hardware/Software	\$ 87.5	\$ 48.4	\$ 135.9
IT Labor/Contractor	\$ 78.3	\$ 24.8	\$ 103.1
Bus. Unit Labor/Contractor	\$ 0.1	\$ 164.6	\$ 164.7
Bus. Unit Other	\$ 1.6	\$ 28.6	\$ 30.2
Meter Installation/Network Install	\$ 520.4	\$ 18.1	\$ 538.5
Total	\$ 687.9	\$ 284.5	\$ 972.4

SMART METER DEPLOYMENT METRICS:

Smart Meters Deployed (000s)*	2,115
Smart Meters Deployed and Communicating (000s)*	2,114
Smart Meters Certified for Billing (000s)	2,114
Smart Meters Deployed for New Construction* (000s)	205
Early Adopters*	0
Customers With Home Area Network (HAN) Devices*	942
CGRs Installed	1,690
Range Extenders Installed	9,563
Formal PUC Complaints Open/Closed (Reporting period ending June 30, 2023 only)*	
Installation	6 / 0
AMI Functionality or Accuracy	0 / 0

¹⁸ A limited exception relates to the Companies' 60-amp meter socket repairs that were discussed earlier in the report.

¹⁹ On April 9, 2015, the Commission approved a Joint Petition for Partial Settlement in each of the Companies' respective base rate cases. See *Pennsylvania Public Utility Commission v. Metropolitan Edison Company*, Docket No. R-2014-2428745 (Order entered April 9, 2015); *Pennsylvania Public Utility Commission v. Pennsylvania Electric Company*, Docket No. R-2014-2428743 (Order entered April 9, 2015); *Pennsylvania Public Utility Commission v. Pennsylvania Power Company*, Docket No. R-2014-2428744 (Order entered April 9, 2015); and *Pennsylvania Public Utility Commission v. West Penn Power Company*, Docket No. R-2014-2428742 (Order entered April 9, 2015) (collectively, "2014 Rate Cases"). As part of this settlement, the Companies agreed to provide certain information related to smart meter deployment, which is also included in this Exhibit and denoted by an asterisk (*).

HAN Related	0 / 0
Other	0 / 0
Informal Customer Complaints Open/Closed (Reporting period ending June 30, 2023 only)*	
Installation	2 / 2
AMI Functionality or Accuracy	0 / 2
HAN Related	0 / 0
Other	0 / 0
Estimated Reduction in Greenhouse Gas Emissions*	1,160 MT CO2 Eq
Voltage/Var Controls (Number/Percentage)* ²⁰	0 / 0%

²⁰ This metric reflects the total number and percentage of distribution lines utilizing sensing from AMI meters as part of the Companies' voltage regulation scheme.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison	:	Docket No. M-2013-2341990
Company, Pennsylvania Electric Company,	:	M-2013-2341991
Pennsylvania Power Company and West	:	M-2013-2341993
Penn Power Company for Approval of	:	M-2013-2341994
their Smart Meter Deployment Plans	:	

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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