

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	:	
	:	
Submission of Rider NAM, Non AMI Metering	:	No. 13-0552
(tariffs filed September 20, 2013)	:	

REPLY BRIEF OF COMMONWEALTH EDISON COMPANY

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Commonwealth Edison Company (“ComEd”) in accordance with the Rules of Practice of the Illinois Commerce Commission (the “Commission” or “ICC”) and the scheduling Order of the Administrative Law Judges, submits this Reply Brief.

I. INTRODUCTION

ComEd’s proposed Rider NAM – Non AMI Metering (“Rider NAM”) addresses the issue of customers who refuse to voluntarily permit the installation of AMI meters. ComEd and Staff of the Commission (“Staff”) have worked collaboratively to develop Rider NAM and to resolve any outstanding concerns raised by Staff, while ensuring that Rider NAM achieves its goal of addressing customer refusals of AMI meters. Staff, the Citizens Utility Board (“CUB”), and ComEd filed initial briefs in this docket on December 12, 2013. These briefs confirm that only a limited number of contested issues remain, reflecting the collaborative process followed by the parties.

II. AGREED ISSUES

As reflected in ComEd and Staff’s Initial Briefs, Staff and ComEd are in agreement on a number of issues. In its Initial Brief, CUB stated that it similarly supported ComEd and Staff’s positions on a number of issues. Specifically, CUB agreed with ComEd and Staff that: (1) the Commission has the authority to approve a tariff that would permit electric utilities to implement meter reading charges applicable to refusal customers; (2) that the Commission should set a

policy at the beginning of deployment rather than at a later stage; (3) that the Commission should set a meter reading charge at a level that would motivate a significant number of customers to accept the AMI meter and/or make their premises available for meter exchange; and (4) that the Commission could revisit this charge at a later date and adjust it appropriately. *See* CUB Init. Br. at 1-2, 9; Staff Init. Br. at 4-5; ComEd Init. Br. at 2-4. These issues, in addition to the issues previously discussed in ComEd’s Initial Brief, are uncontested and should be approved by the Commission.

III. CONTESTED ISSUES

As discussed in ComEd’s Initial Brief, there are a limited number of contested issues that necessitate Commission action – specifically, ComEd’s proposal to exchange analog non-AMI meters for digital non-AMI meters, and the appropriate amount for the meter reading charge. Notably, all parties agree that such a charge is necessary.

A. Exchange of Analog Non-AMI Meters for Digital Non-AMI Meters

In its Initial Brief, ComEd described its plan to ensure that all retail meters in ComEd’s service territory – including those located at the premises of customers who refuse installation of an AMI meter – were upgraded within the period allowed for AMI meter deployment under EIMA. ComEd Init. Br. at 4. Under ComEd’s original proposed plan, ComEd would conduct visual inspections of all metered locations for safety, function, and tampering and theft of electric service, and take such further actions as are warranted. *Id.* at 5. ComEd further proposed to replace all electro-mechanical watt-hour non-AMI meters (“analog meter”) – which are generally outdated, prone to running slow as they age, and less efficient – with solid-state digital non-AMI meters (“digital meter”) at the time of the inspection. *Id.* at 5-6. In testimony, Staff witness Mr. Beyer addressed ComEd’s proposal and expressed concern that ComEd’s plan to “replac[e] a

fully functional and accurate” analog non-AMI meter with a digital non-AMI meter would increase costs and was “possibly imprudent.” Beyer Dir., Staff Ex. 3.0, 6:127 – 7:129. In response to Staff’s concerns, ComEd proposed an alternative meter replacement policy under which ComEd would continue to visually inspect meter locations where customers refuse an AMI meter for safety, function, and tampering or theft of electric service, but would only replace those meters that require repairs or replacement regardless of AMI deployment under ComEd’s current replacement policy. *See* ComEd Init. Br. at 6-7; Doherty Reb., ComEd Ex. 4.0, 4:71 – 5:102.

In its Initial Brief, Staff expressed its support for ComEd’s alternative “plan to follow its meter replacement policy and current practice.” Staff Init. Br. at 11. Staff expressed concern, however, with one element of ComEd’s alternative plan. Staff asserts that “while a visual inspection will enable [ComEd] to discover if a meter is stopped or damaged as a result of tampering or some other reason, [ComEd] provided no evidence to explain how the on-site visual inspection will detect a slow meter.” *Id.* Staff’s statement appears to reflect a misinterpretation of ComEd’s testimony. ComEd’s testimony indicates that under ComEd’s alternative proposal “when a customer refuses AMI meter installation, ComEd would schedule an appointment to visually inspect the metered location for safety, meter function, and tampering or theft of electric service. How ComEd proceeds, however, would depend upon the results of that inspection.” Doherty Reb., ComEd Ex. 4.0, 4:83-6. ComEd did explain that its “current practice is ... to replace meters that are found to be stopped, slow, damaged, potentially unsafe, or out of compliance with standards or regulations.” *Id.* at 5:92-4. This was not intended to imply that the visual inspection will detect “slow” meters. ComEd does identify and investigate potential slow meters, but that process is separate from the visual meter inspections to be

conducted under ComEd's alternative proposal. The visual inspection will determine if a meter is functioning.

Staff further asked that the Commission "remind [ComEd] to be prudent in its inspection and replacement of refusal customers' meters and only replace those that are not working or are damaged." Staff Init. Br. at 11. ComEd's intent all along has been to propose and follow meter inspection and replacement practices that are prudent. ComEd acknowledges Staff's reminder, would not object to inclusion of such a reminder in the Commission's order, and reiterates that its meter replacement proposals – both its original proposal to replace all meters as well as its alternative proposal to replace meters as called for under its current policy and practices – are prudent and reasonable. The prudence of these policies has been established in both testimony and briefing. *See, e.g., Doherty Reb., ComEd Ex. 4.0, 4:71-72, ComEd Init. Br. at 6.*

Staff requested that "the Commission should also be clear that no special ratemaking treatment is applicable to premature replacement of a non-AMI meter with another non-AMI meter." Staff Init. Br. at 12. ComEd's Commission-approved AMI Plan provides for the recovery of the unrecovered cost of all non-AMI meters. ICC Docket No. 13-0285, Revised Smart Grid Advanced Metering Infrastructure Deployment Plan at 48; Garcia Dir., ComEd Ex. 1.0 CORR, 26:553 – 27:567. Staff's concern with respect to ratemaking treatment is "limited" solely to the situation in which ComEd's proposal would replace an otherwise functioning and existing analog non-AMI meter with a digital non-AMI meter pursuant to an AMI meter refusal. Mr. Beyer's testimony was not intended to address or dispute ComEd's installation of non-AMI meters to meet new business requirements or replacement of existing non-AMI meters with new non-AMI meters when replacement is otherwise called for by ComEd's existing meter replacement policy and such replacements occur in an area where AMI has not yet been

deployed.” ComEd Cross Ex. 1, p. 2. Mr. Beyer also testified that if the Commission’s finds ComEd’s proposal to replace all analog non-AMI meters with digital non-AMI meters is prudent and reasonable, then ComEd’s “proposed ratemaking treatment is acceptable.” Beyer Dir., Staff Ex. 3.0, 10:222 – 11:225. Thus, if the Commission accepts ComEd’s original proposal, ComEd’s proposed ratemaking treatment should be approved. Alternatively, and subject to the clarifications in ComEd Cross Ex. 1, if the Commission adopts ComEd’s alternative proposal then ComEd does not oppose Staff’s proposal that the Commission find no special ratemaking treatment is applicable to premature replacement of a non-AMI meter with another non-AMI meter.

ComEd believes that its original proposal to replace analog non-AMI meters with digital non-AMI meters at the time it conducts a visual inspection of a customer refusing an AMI meter is both prudent and reasonable, and requests that the Commission adopt this plan. *See* ComEd Init. Br. at 6. However, in the event that the Commission declines to adopt ComEd’s original plan, ComEd requests that the Commission adopt its alternative proposal, as supported by Staff. Moreover, if the Commission decides to adopt ComEd’s alternative proposal, ComEd agrees with Staff’s proposed changes to the relevant tariff language. *See* Staff Init. Br. at 12.

B. Monthly Meter Reading Charge

In its Initial Brief, ComEd explained that it anticipates that a number of customers will refuse AMI meters, necessitating the provision of a monthly manual meter reading service in order to continue to assess customers’ bills. ComEd Init. Br. at 7. As a result, ComEd will incur costs associated with the provision of this service. *Id.* Staff and CUB acknowledge that the provision of a monthly manual meter reading service will be necessary in order to assess the bills of those customers who refuse AMI meters, and further agree that ComEd should be able to recover those costs from such customers. Staff Init. Br. at 5; CUB Init. Br. at 2. ComEd, Staff,

and CUB further agree that the imposition of a meter reading charge may also motivate customers to accept an AMI meter and/or to make their premises accessible for meter exchange.

Id.

In testimony and its Initial Brief, ComEd proposed a meter reading charge of \$25. ComEd Init. Br. 7; *see* Garcia Dir., ComEd Ex. 1.0 CORR., 17:345-58; Doherty Dir., ComEd Ex. 2.0, 16:315 – 18:364; ComEd Ex. 2.01. In order to reach this amount, ComEd examined a variety of sources, including analyses conducted by ComEd witnesses Mr. Garcia and Mr. Doherty, a cost study developed by Mr. Doherty, and the results of meter refusal rates in Naperville (which utilized a \$24.75 monthly charge, resulting in a .45% refusal rate). ComEd Init. Br. 7-8. Notably, ComEd’s \$25 monthly charge is supported by CUB. CUB Init. Br. at 8-9.

Staff proposed multiple alternative meter reading charges in testimony and its Initial Brief. These charges ranged from \$10 to \$43.04. Staff Init. Br. at 6; Schlaf Dir., Staff Ex. 1.0, 3:49-57; Allen Dir., Staff Ex. 2.0, 2:32-34. According to Staff, “[a] monthly cost-based charge would be \$43.04; a charge based on policy considerations would be in the range of \$10-20; and, a charge that balances both cost and policy considerations would result in a charge of \$21.53, the lowest charge in ComEd’s range of cost-based charges.” Staff Init. Br. at 6. Although Staff asserts that its proposed \$43.03 fee is more consistent with the current 0.01% AMI meter refusal rate, ComEd notes that a charge based on a 0.01% refusal rate would be well above \$47.85. *See* Staff Init. Br. at 8; Garcia Reb., ComEd Ex. 3.0, 8:173 – 9:178..

CUB supports the \$25 charge proposed by ComEd, asking the Commission to find that the \$25 charge is “reasonable and appropriate based on the costs which are to be recovered and the need to motivate customers to make their premises accessible for AMI meter installation.”

CUB Init. Br. at 9. In the alternative, CUB supports Staff’s proposed meter reading charge of \$21.03, as it “falls within the range of potential costs” identified by ComEd’s cost study. *Id.*

As stated in its Initial Brief, ComEd recommends the Commission approve the \$25 charge but believes that Staff’s proposals – in so far as they fall within the range of \$21.53 to \$47.85 provided by Mr. Doherty’s cost-study – are reasonable. ComEd Init. Br. at 9. However, ComEd maintains that these proposals are not purely cost-based, nor do they take into account all policy considerations associated with the meter reading charge. *Id.* ComEd notes that its proposed \$25 charge is reasonable, is cost-based, is likely to deter meter refusals, has not been disputed by Staff, and has the support of CUB. In light of the policy and cost-based considerations, as well the support of other parties to this docket, ComEd asks the Commission to adopt its proposed \$25 charge.

C. Sunset Provision

CUB asks the Commission to reject the sunset provision contained in ComEd’s tariffs, which eliminates the ability of customers to defer installation of AMI meters after the earlier of June 30, 2022, or one year after the date of the last AMI meter installation undertaken in accordance with the AMI Plan. CUB Init. Br. at 6; Garcia Dir., ComEd Ex. 1.0 CORR., 15:313-17; Garcia Reb., ComEd Ex. 3.0, 4:83 – 5:86; Allen Dir., Staff Ex. 2.0, 8:163 – 11:254. Under ComEd’s sunset provision, ComEd must undertake all reasonable efforts after June 30, 2022, to ensure that AMI metering is installed at each point of metered electricity delivery at each retail customer’s premises. Garcia Reb., ComEd Ex. 3.0, 4:83 – 5:86; Allen Dir., Staff Ex. 2.0, 8:163 – 11:254. CUB argues that the Commission should reject ComEd’s sunset provision because “customers can legally refuse an AMI meter” and because “customer concerns regarding smart meters should be addressed through education and discussion ... not through forced meter installation.” CUB Init. Br. at 7.

The customer-based concerns expressed by CUB in its brief are the same concerns that led ComEd to propose the meter refusal policy reflected in Rider NAM. Garcia Dir., ComEd Ex. 1.0 CORR., 5:89 – 6:107, 7:130-136. While ComEd believes this issue should be left open to future consideration, ComEd notes that it is not readily apparent that customers have a right to legally refuse AMI meters or any other equipment used in the provision of service. The Commission should not decide this abstract legal issue in a vacuum when the number of customers refusing AMI meters and the potential impact of such a legal determination are not known. For this reason and others, ComEd’s proposes to report meter refusal data to the Commission and accepts Staff’s proposal to reevaluate Rider NAM after two (2) years. *See* ComEd Init. Br. at 3. The Commission should not and need not determine this issue at this time. Rather, ComEd proposes that the Commission approve the sunset provision at this time, but revisit this issue in two years, when ComEd has committed to refiling Rider NAM. At that time, there will be additional data and experience regarding customer responses to Rider NAM, which will allow the Commission to further analyze the need for a sunset provision under EIMA and evaluate the legality of any proposal to eliminate the sunset provision. Moreover, ComEd notes that Staff supports the sunset provision, subject to the revisions agreed to by both ComEd and Staff. *See* Staff Init. Br. at 13-15.

IV. CONCLUSION

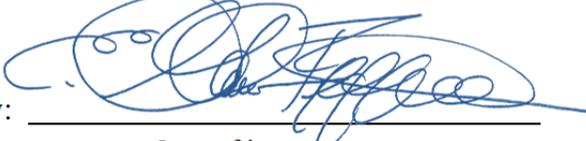
For the foregoing reasons, ComEd respectfully requests that the Commission adopt its proposal to replace analog non-AMI meters with digital non-AMI meters, or, in the alternative, to adopt the adjusted proposal submitted by ComEd in rebuttal testimony. Moreover, ComEd requests that the Commission adopt the \$25 monthly meter reading fee. ComEd further requests that the Commission decline to decide at this time whether customers are entitled as a matter of

law to refuse AMI meters. ComEd also requests that the Commission approve and adopt the resolutions reflected for the agreed issues listed in Section II, above, and in Section II of ComEd's Initial Brief, as filed on December 12, 2013.

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Respectfully submitted,

COMMONWEALTH EDISON COMPANY

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