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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission

From: Office of Consumer Services
Michele Beck
Cheryl Murray

Date: November 25, 2009

Re: Comments of the Office of Consumer Services on Docket No. 08-999-05. In the Matter of the Consideration of the Amendment of Title 16 U.S.C. 2621(d) and the Addition of Title 42 U.S.C. 6344 by the U.S. Energy Independence and Security Act of 2007.

On October 28, 2009 the Public Service Commission (Commission) issued a request for Comments on the Division of Public Utilities' (Division) recommendations regarding the Public Utility Regulatory Policies Act (PURPA) Electric Standards No. 16 – Consideration of Smart Grid Investments Standard and No. 17- Smart Grid Information enacted by the 2007 Energy Independence and Security Act, which was filed on October 27, 2009.

The Division recommends that the Commission not adopt the EISA smart grid investments and smart grid information standards stating that more time is needed to ensure that smart grid technology is mature enough to warrant Company investment and ratepayer support in Utah. The Division also recommends that the Commission require the Company to file an annual report summarizing its monitoring of smart grid projects and actions taken to evaluate or implement smart grid technology.

The Office of Consumer Services (Office) participated in the Smart Grid work group meetings referenced in the Division's memo. Based on information garnered during those meetings as well as participating in a number of information sharing conference calls through our membership in the National Association of Utility Consumer Advocates (NASUCA) the Office also determined that the Commission should not adopt the standard at this time.

On June 30, 2009 NASUCA adopted a resolution supporting fourteen Smart Grid principles, which the Office believes should be considered prior to the Company taking steps to implement Smart Grid technology. That resolution is provided as an attachment to this memo. Consideration of these principles will help ensure that due regard is given

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to the potential costs as well as benefits that may accrue to ratepayers through smart grid technology.

The Office concurs with the Division's recommendations that the Commission not adopt the Smart Grid Standard and that the Company be required to report annually on its continued monitoring and evaluation of smart grid projects and technology. Further, we recommend that prior to supporting the implementation of smart grid technology the Commission should consider the Smart Grid Principles of the National Association of State Utility Consumer Advocates.