

## BEFORE


## THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission-Ordered )  
 Workshop Regarding Smart Metering ) Case No. 07-646-EL-UNC  
 Deployment. )

ENTRY

The Commission finds:

- (1) On December 14, 2005, the Public Utilities Commission of Ohio (Commission) initiated its investigation concerning state implementation of Sections 1251 through 1254 of the Energy Policy Act of 2005 (EPAAct). *In the Matter of the Commission's Response to the Provisions of the Federal Energy Policy Act of 2005 Regarding Net Metering, Smart Metering and Demand Response, Cogeneration and Power Production Purchase Sale Requirements, and Interconnection*, Case No. 05-1500-EL-COI. In that entry, staff was directed to conduct a series of technical conferences for all interested persons to discuss these issues. The Commission also requested that interested persons file comments regarding state implementation of the EPAAct.
- (2) On March 28, 2007, the Commission issued a finding and order in Case No. 05-1500-EL-COI adopting recommendations of Commission's staff regarding net metering, smart metering, cogeneration and small power production purchase and sale requirements, and interconnection. Concerning smart metering and advanced metering infrastructure (AMI) the Commission indicated that all electric distribution utilities (EDUs) should offer tariffs to all customer classes which are, at a minimum, differentiated according to on- and off-peak wholesale periods. Moreover, the Commission noted that time-of-use meters should be made available to customers subscribing to the on- and off-peak tariffs. On May 24, 2007, the Commission issued an entry on rehearing denying the applications for rehearing filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company; Industrial Energy Users-Ohio; Duke Energy Ohio; and The Ohio Manufacturers' Association; and clarifying its March 28, 2007 finding and order.
- (3) Regarding smart metering and demand response, the Commission's March 28, 2007 decision instructed staff to conduct

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workshops to study the cost/benefit of AMI deployment strategies.<sup>1</sup> The Commission further indicated that staff's analysis should include the following: class of service availability, deployment, customer commitment, customer education, cost recovery, and cost allocations. The Commission's decision also indicated that utilities should pursue use of the McKinsey Model when determining the benefits of various AMI strategies. The Commission decision noted, however, that EDUs may propose an alternative to the McKinsey Model, but any alternative must be demonstrably superior, transparent, and portable in that any alternative adopted could be used by all of the EDUs.

- (4) In addition, the Commission's March 28, 2007 decision recognized that, since a rational strategy for AMI rollout cannot be developed without evaluating the choices of metering and telemetry equipment, collectively the workgroup is to develop a single list of technologies with associated costs and capabilities, or if appropriate, a list of technology types or categories with associated cost ranges. Regarding EDU expenditures, the Commission instructed staff to conduct a comprehensive review of any cost recovery mechanism that must be included in the investigation to ensure that those benefiting from AMI pay a share of its costs. Finally, the Commission indicated that staff should develop recommendations based on the workshop discussions.
- (5) On May 30, 2007, the instant proceeding was initiated to institute the workshop process to research and further investigate smart metering and AMI in the state of Ohio consistent with the Commission's directives. Staff intends to take this opportunity to establish informal workshop discussions to assist in preparing its recommendations to the Commission regarding smart metering and AMI. Specifically, the purpose of these workshops is to realize the following four outcomes: (1) to identify various technology options and methods; (2) to work with the EDU's and interested stakeholders to evaluate further the McKinsey model (or other

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<sup>1</sup> Demand response is enabled by three factors: metering technology that records usage on a time differentiated basis, a rate structure that allows customers to respond to time sensitive price signals, and a billing system that allows the provider to account for the time differentiated pricing and usage. Since AMI encompasses a wide variety of technologies and communications protocols combined with varying types of customers (with different usage patterns and needs), there exists virtually an unlimited number of AMI service combinations.

viable alternatives) to conduct cost/benefit studies for AMI and deployment options; (3) to work with EDUs and stakeholders to conduct cost/benefit analysis using a common framework; and (4) consider method(s) for cost recovery that takes into consideration all of those who benefit from AMI.

- (6) Consistent with the Commission's directives, staff will be facilitating the first smart metering workshop beginning at 10:00 A.M. on Thursday, July 26, 2007, at the Commission's offices in Hearing Room 11-E. The first workshop will occur over approximately a three-hour period and will address three individual matters as follows: (1) to discuss with stakeholders the scope, topics, and order of future workshops consistent with the Commission's directives concerning issues to investigate; (2) to begin a dialog regarding cost benefit analysis of available metering technologies and available models (*e.g.*, the McKinsey Model); and (3) to determine dates and times most convenient to interested persons for future workshops.
- (7) All persons planning to attend the initial workshop are requested to inform the Commission's staff at the following email address: Daniel.Shields@puc.state.oh.us. Prospective attendees' emails to staff should include their respective name, address, telephone numbers, email address, and corporate or government affiliation.
- (8) To help ensure that all interested persons are made aware of staff's smart metering workshops, a copy of this entry will be served upon all parties in Case No. 05-1500-EL-COI which has been copied to the instant proceeding.

It is, therefore,

ORDERED, That the first workshop regarding smart metering in the state of Ohio is to occur at the Commission's offices on July 26, 2007, beginning at 10:00 A.M. It is, further,


ORDERED, That copies of this entry be served upon all interested parties of record in Case No. 05-1500-EL-COI.

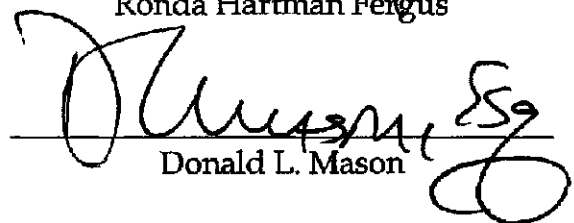
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Alan R. Schriber, Chairman

  
Paul A. Centolella

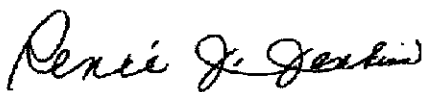
  
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