

via Federal Express

December 10, 2007

Hon. Jaclyn Brillling
Secretary
New York State
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Cases 05-E-0952, 00-E-0165, and 02-M-0514 -
Initial Response to Notice Seeking Comment

Dear Secretary Brillling:

These comments are submitted on behalf of Central Hudson Gas & Electric Corporation ("Central Hudson") in response to the October 10, 2007 "Notice Seeking Comment." The Notice (p. 2) states that "the Commission seeks comments from parties concerning the features and functions of AMI systems that should be considered as standard." A list of "standard features" proposed by Staff was presented in the Notice, and comments were invited on several aspects of the proposed "standard features."

Central Hudson is interested in AMI and generally supportive of the implementation of AMI technologies where warranted on a benefit/cost basis. AMI technologies offer several potential advantages. However, AMI technologies (including communication infrastructures and meter data management systems) are also evolving in a dramatic fashion. Continued rapid evolution of operating standards and functional capabilities are expected. These technological changes add uncertainty and technical obsolescence risk to deployment of AMI technologies. Central Hudson therefore believes that the Commission should be more focused on implementing pilot-scale deployments than on "standard features" that presume wide-scale deployments of less rapidly changing technologies. While "standard features" will become desirable with large-scale or full-scale deployments, the emphasis at this time should be on gaining experience through more limited deployment of a variety of technologies across the different areas of the State.

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Comments are provided below to all of the "standards" proposed by Staff.

Responses to Specific Proposed "Standard Features and Functions"

- a) ANSI compliant (must meet all ANSI standards): Central Hudson assumes that the Staff proposal is that equipment should comply with ANSI standards that are effective at the time equipment is purchased. Central Hudson agrees. However, this leaves unaddressed the matter of changes in ANSI standards subsequent to equipment purchase. The Commission should clarify that this proposed "standard" applies at the time of equipment purchase.

 - b) Bi-directional registration (supports net metering): The proposal does not provide sufficient information. Bi-directional registration that supports net metering can be done in more than one fashion. Since the Staff proposal does not specify any particular fashion, Central Hudson assumes that any method of providing bi-directional registration that supports net metering is acceptable. The Staff proposal should be clarified if that was not the intent or if specific requirements for meter registration and communication infrastructure to interpret energy delivered and received were intended.

 - c) Visual read capability for cumulative usage: As written, this "standard feature" would be met by a meter-sited totalizing readout of kWh consumption, presumably from an LED. Based on that interpretation, Central Hudson has no objection to this proposed standard feature. However, it should be recognized that emerging internet- or telephone-based technologies may make a meter-sited readout redundant, and hence of dubious long-term cost-effectiveness.

 - d) Ability to provide time-stamped interval data, at hourly or shorter time intervals: Clarification is needed on this proposal. Is the intent that the equipment have the ability to allow selection, subsequent to installation, of
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any intervals of hour or shorter duration? If so, a number of problems related to system design would be created, such as whether the time stamping occurs at the meter or at the collector, as well as how utilities would plan for data storage requirements without having a reliable specification for the interval period. This functionality should exist with an AMI, but the usage of such data should be at the discretion of the utility dependent upon customer type and rate structure.

- e) On-board meter memory capable of storing at least 60 days of readings: The storage and hence cost of on-meter storage will also be a function of any required data interval periods. Sixty days of memory at the meter should not be required if the customer meter data can be remotely (and reliably) stored at an alternate location.
 - f) Direct, real-time (defined as a time lag of five minutes or less) remote read-only access for customers and/or competitive providers to meter data: Central Hudson understands that the proposal relates to access to data, not access to the meter. This proposed "standard function" may entail a technology bias in favor of certain vendors' systems. Alternative lag times (longer than five minutes) should be evaluated on a benefit/cost basis. In addition, the Commission should clarify that customers requesting such information should expect to pay the full incremental costs of polling the meter to obtain the information. Requiring the capability to provide this frequency of meter data to customers will add cost to an AMI system.
 - g) Capability to remotely read meters on-demand: Central Hudson agrees that this function should be part of an AMI system. In addition, the Commission should clarify that customers requesting such information should expect to pay the full incremental costs of polling the meter to obtain the information.
 - h) Utilizes open standards-based communication protocols and platforms, e.g., broadband, PLC, internet, XML, MV-90,
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Zigbee, DNP3, etc.: Some links in the communications systems may necessarily rely on proprietary architectures, particularly for the local area networks and any gas to electric meter communications. Open standards-based protocols and platforms are more typical of wide area networks. However, even in that context, many of the communication protocols are evolving and do not have fixed standards. Utilities should be permitted to select from among those open access architectures available commercially at the time of equipment purchase.

- i) Two-way communication capability, including ability to remotely upgrade meter firmware: At today's state of the art, not all meter systems are equally upgradeable remotely. Thus, establishing such a "standard function" at this time could represent a technological bias. While it would be theoretically desirable that simple two-way communication capability should exist to allow remote "firmware" upgrades, it is not achievable with all current systems. Moreover, the Commission should clarify the term "firmware" as it relates to the communication module and meter metrology.

 - j) Ability to send signals to customer equipment to trigger demand response functions, and/or connect with a home area network (HAN) to provide direct or customer-activated load control: This functionality is another emerging technology in relation to the utility meter, although there are commercially available systems to allow control of lamps, etc. through home wiring systems. Since the required technology is not currently available from a large number of vendors, there does not seem to be a benefit at the present time in seeking to establish this as a "standard function." Instead, this function needs to be studied in greater detail in order to understand customers' willingness to participate in these types of programs, and level of dedication by industry to provide controllably compatible products in the marketplace.
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- k) Positive notification of outage/restoration: Central Hudson agrees that this function should be part of an AMI system, assuming that the utility retains the discretion to decide what particular methods of notification fit properly with its operations.

- l) Self diagnostics, including tamper flagging capability: Central Hudson agrees that this function should ideally be part of an AMI system, assuming that the utility retains the discretion to decide what particular methods of notification fit properly with its operations. However, concern is expressed as to whether this capability exists commercially in a sufficient number of different systems to assure a competitive acquisition. Further evaluation is required with AMI providers in order to understand the capabilities actually available at this time.

- m) Upgrade capability: It is generally desirable that meters, communication infrastructure, collectors, MDMS, and other related AMI components be scale-able to plan for technological growth and minimize stranded investment risks. Needless to say, however, there will be costs associated with this capability, both to obtain it in the first instance, and to upgrade later on. The benefits of upgradability need to be balanced against the costs.

Additional Comments

The following table provides additional AMI functionality recommended by Central Hudson for eventual consideration for possible future inclusion in standard AMI systems, at the point in time at which AMI systems have reached large scale commercial deployment throughout the State, and after a period of implementation of pilot programs has been completed. The utility should have the discretion to determine how to achieve this functionality, consistent with its operations.

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Function	Description
Voltage Monitoring	Ability to measure voltage levels at premise as well as detect voltage on customer side of the meter
Power Quality Monitoring	Ability to collect and transport harmonic distortion data
Tamper/Theft Detection	Tamper alarms and theft at meter location
Voltage	Ability to set event parameters for voltage levels at meter location
Remote disconnect/reconnect	Integrated remote disconnect/reconnect capability
Load Limiting	Load Limiting capability

Central Hudson understands the motivation for "standard features and functions" as guides to future decisions to deploy large-scale AMI systems. While there is some value to starting a process of analysis and consideration related to "standard features and functions," that should not be where the Commission directs its primary attention at this time. The state of the art has not evolved to the point where detailed standard features and functions will necessarily add significant value.

Rather than pursuing "standards" as a priority at this time, Central Hudson believes that the Commission would be better advised to pursue, as its priority, a considered development program that would establish pilot programs having specifically identified objectives across the State. AMI technology will continue to evolve for years into the future. Thus, deployments of technology today must be understood as commitments of resources that will likely prove technologically

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obsolete within a few years and are justifiable not to achieve standardization, but to learn from actual experience about the benefits and difficulties of AMI/AMR in the varying environments across the State on a pilot-scale level, as well as the features and functions that customers actually want or actually do not want.

This situation calls for on-going development; standards are a secondary consideration at the present stage of technology and knowledge of customer preferences. We are simply not at the point where full-scale across the board commitment to specific systems is warranted, which is, of course, where "standards" would be most beneficial.

At this time, the necessary pilot programs do not appear to have been given the same attention as the search for standard features and functions. Central Hudson's pending request for Commission approval of a pilot program that will provide the Company with hands-on experience and real-world data is much more valuable to Central Hudson's customers than establishment of "standards" for large-scale or full-scale deployments has been before the Commission for a considerable period of time, and during that period of time, there have been technological changes. The objectives of the pilot are to gain a working knowledge, empirical data, and first-hand experience with a fixed network, two-way communication, AMI and its capabilities. Central Hudson also wants to learn about how customers respond to AMI equipment, and whether it produces any improvements in customer satisfaction (or increases in dissatisfaction). Notably, the pilot will produce experience that will greatly assist the understanding by all interested parties of the implications of all of the items identified in the Notice Seeking Comment. Moreover, given the passage of a considerable period of time and the fact that technology is advancing quickly (as noted above), Central Hudson suggests that an update to the proposed pilot program should be developed in collaboration with Staff to take advantage of technological developments over the last year, and lead to prompt Commission approval.

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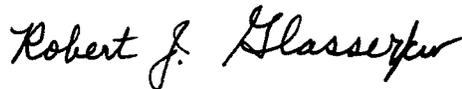
In addition, Central Hudson does not suggest that the Commission abandon work on "standard features and functions." At the same time that the pilot programs are moving forward, the Commission should establish an AMI collaborative to continue work on the definition of appropriate "standards." This collaborative should begin with technical discussions among Staff, the utilities and other interested parties to review each item in detail to better understand all of the issues inherent in the Notice Seeking Comment. Initiating this kind of review, together with a strong commitment by the Commission to the pilot program initiative outlined above and, specifically, approval of Central Hudson's modified pilot program request, should help to assist all parties to develop the empirical basis needed to create common goals and "standards" for AMI technology.

Please add my name as counsel for Central Hudson Gas & Electric Corporation to the Active Parties List for the above-referenced case.

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Thank you for your attention to this request.

Respectfully submitted,



Robert J. Glasser

cc: All Parties on Service List
