

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)
to investigate development of minimum functionality)
standards and criteria for advanced metering)
infrastructure (AMI).)
_____)

Case No. U-15620

At the July 1, 2008 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER COMMENCING PROCEEDING

In an order issued on April 24, 2007 in Case No. U-15278, the Commission directed the Commission Staff (Staff) to monitor Smart Grid Infrastructure Initiatives and to establish evaluation criteria and standards when options appear to be cost-effective and practical to implement. Smart Grid Infrastructure initiatives cover a broad range of developments that range from advanced metering infrastructure (AMI) enhancements, which enable demand response programs at a customer level, to distribution and transmission-level developments, which improve grid stability, reliability, and resilience. Michigan utilities are currently investigating the deployment of AMI as a platform to implement remote meter reading, demand response programs, and other Smart Grid initiatives.

With AMI pilots scheduled to commence in 2008, guidance is needed to describe minimum functionality criteria and standards necessary for the rate recovery of this infrastructure

development. An important consideration when establishing these minimum functionality requirements for AMI is the recognition that infrastructure developed today will be a foundation for a continually evolving technology. Flexibility is critical to allowing efficient Smart Grid infrastructure development for AMI and interactions with other Smart Grid developments.

The Commission has determined that it is time to begin an investigation of minimum functionality standards in Michigan and invites responses and comments from interested parties on these questions along with other requirements and suggestions:

1. Should the Commission prescribe functionality standards and criteria for AMI deployment approaches, technologies, and functions?
2. To what extent should advanced-metering technologies and functions be standardized and to what extent should utilities be able to select functions on behalf of customers?
3. To what extent should standard protocols for the information produced by advanced meters be prescribed?
4. Should the Commission establish minimum functionality for the recovery of AMI investment by utilities? The Commission is considering AMI minimum functionality guidelines that address:
 - remote software upgrade capability;
 - remote shut-off and turn on capability;
 - accommodation of net metering and distributed generation;
 - prepaid services options;
 - interoperability with future smart grid;
 - two-way connectivity with intelligent appliances and other enabling devices;
 - and
 - customers' ability to monitor their energy use.
5. In assigning possible deployment approaches and advanced-metering technologies and functions, how should the costs and benefits to utilities and customers be considered?
6. The Commission is considering open-source, non-proprietary guidelines for advanced meters. Have these systems been successfully implemented elsewhere? If the Commission prescribes guidelines for open-source, non-proprietary systems, what should these guidelines say?

7. Should the Commission prescribe guidelines to deal with information transmission and storage issues? Should it require a pilot project or gradual deployment of advanced meters, in recognition of the volume of information that the market participants will have available from advanced meters?
8. To what degree is the security of AMI a concern, and what level of security should be designed in the system?
9. Are there other issues the Commission should address in this proceeding?

The Commission invites interested parties to respond to these questions and make any other comments. Documents filed in this case may be submitted electronically through the Commission's E-Dockets Website at: michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an e-mail sent to mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at (517) 241-6170 or by e-mail at mpscedockets@michigan.gov. Alternatively, any person may submit written comments regarding this issue/these issues. Written comments should be sent to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan. All comments should reference Case No. U-15620 and be received no later than August 1, 2008. All comments received by the Commission will become public information, posted on the Commission's website, and subject to disclosure.

THEREFORE IT IS ORDERED that:

A. Any interested person shall be permitted to submit written comments regarding the questions set forth in the body of this order regarding potential minimum functionality standards and criteria for advanced metering infrastructure. The comments shall reference Case No. U-15620 and shall be submitted no later than August 1, 2008.

B. The Commission Staff shall summarize its findings and file a report to the Commission in this docket by October 1, 2008.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of July 1, 2008.

Mary Jo Kunkle, Executive Secretary