

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

05-17-12
04:59 PM

In the Matter of the Application of San Diego Gas
& Electric Company (U 902 E) for Adoption of
Its Smart Grid Deployment Plans.

Application 11-06-006
(Filed June 6, 2011)

And Related Matters.

Application 11-06-029
Application 11-07-001

**JOINT REPLY COMMENTS OF PACIFIC BELL TELEPHONE COMPANY
D/B/A AT&T CALIFORNIA (U 1001 C) AND VERIZON CALIFORNIA INC. (U 1002 C)
TO MARCH 1, 2012 SMART GRID WORKSHOP SUMMARY**

RUDOLPH M. REYES
Verizon California Inc.
201 Spear Street, 7th Floor
San Francisco, CA 94105
Tel: (415) 228-1465
Fax: (415) 228-1999
rudy.reyes@verizon.com

Attorney for Verizon

RAMIZ I. RAFEEDIE
AT&T Services, Inc.
525 Market Street, Suite 2024
San Francisco, CA 94105
Tel.: (415) 778-1465
Fax: (415) 543-0418
ramiz.rafeedie@att.com

Attorney for AT&T California

May 17, 2012

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION	1
II. COMMENTS.....	2
A. No Barriers to Entry.....	3
B. Prompt, Unfettered and Reasonable Access to Consumer Electricity Usage Data	3
C. Consistent and Uniform Communication Standards.....	4
III. CONCLUSION.....	4

Pursuant to the concurrently filed motion for leave to file late reply comments, AT&T California and Verizon (collectively, “Interested Third Parties”) hereby submit these reply comments to the March 1, 2012 “Smart Grid Workshop Report.”

I. INTRODUCTION

Interested Third Parties are non-energy, technology companies that provide, or anticipate providing, energy usage data services to California customers. Interested Third Parties specifically respond to Question 3 of the Workshop Summary that provides:

The parties should submit their comments pertaining to whether the Commission should set a demarcation point and if so, whether this should be done now or at another time. Also, the parties should comment on whether a more detailed record should be established for this issues (*e.g.*, as part of a separate proceeding).

Interested Third Parties believe the Commission should, at a minimum, define a set of expectations or principles to guide the manner in which third party equipment can interface with the customer side of the Smart Meter. Those expectations or principles would assist in determining whether a specific physical or logical demarcation point is needed. The primary objectives of the Commission should be to help eliminate regulatory uncertainty, minimize entry barriers for market participants, foster consumer choice, and prevent IOUs from gaining an unfair advantage in the Smart Grid market. While Interested Third Parties acknowledge that a more detailed record is needed regarding demarcation point issues, they believe the Commission should set forth certain principles that would guide the setting of any demarcation point, including (1) the prohibition against barriers to entry, (2) prompt, unfettered and reasonable access to customer energy usage data at the smart meter (subject to customer authorization), and (3) adherence by the utilities to consistent standards for communicating with the smart meters.

II. COMMENTS

The common theme permeating the three major IOUs' comments on the demarcation issue is that the Commission should defer the question until some undefined point in the future. Pacific Gas and Electric Company ("PG&E"), for instance, recommends against "a 'hard and fast' regulatory demarcation point at this time, because markets for 'customer-facing' Smart Grid services and products are not yet established and robust enough to generically prohibit utilities from providing such services and products in response to the needs or requests of retail utility customers."¹ San Diego Gas & Electric Company ("SDG&E") agrees that talk of demarcation is premature, but that demarcation should nevertheless be addressed on a case-by-case basis.² Southern California Edison Company ("SCE") requests that the issue be "tabled" to some point in the future when "the market has achieved increased technological maturity."³

It is true that Smart Grid technology is still in its infancy. That, however, should not justify deferring consideration of the principles that would ultimately guide third party access to data on the customer side of the Smart Meter. Innovators will benefit from greater certainty in this area as they undertake their own product development. A means to achieve a greater degree of certainty is to establish forward-looking, pro-competitive principles from the beginning that prohibit barriers to market entry. New entrants need prompt, unfettered and reasonable access to the detailed customer usage data collected by a Smart Meter. And such access needs to reflect consistent, standardized methods across utilities. Principles such as these will spur investment and innovation in Smart Grid-enabled products and services and, in turn, will benefit customers, the environment and the economy. In short, the Commission should not delay the principles for access to detailed data at the customer side of the smart meter.

¹ PG&E Opening Comments, p. 2 (Mar. 15, 2012).

² SDG&E Opening Comments, p. 6 (Mar. 15, 2012).

³ SCE Opening Comments, p. 5 (Mar. 15, 2012).

Although the Commission should foster the development of these principles as quickly as possible, Interested Third Parties agree with the Division of Ratepayer Advocates (“DRA”) that a more robust record should first be established.⁴ The need for a detailed record, however, should not dissuade the Commission from affirming now the principles mentioned above and discussed in more detail immediately below.

A. No Barriers to Entry

The IOUs should not impose onerous, expensive or cumbersome technical or administrative requirements on third parties that want to participate in the Smart Grid market. Any qualified third party should be able to participate without delay or unnecessary expense. That said, it is understandable that certain safeguards may be necessary to ensure the security and integrity of IOU systems and customer information. But any such network security safeguards should not become a means to impede or delay competitive entry or constrain innovation.

B. Prompt, Unfettered and Reasonable Access to Consumer Electricity Usage Data

A corollary to avoiding barriers to entry is the principle that the IOUs should provide prompt, reasonable and unfettered access to data at the smart meter for third parties that contract with utility customers. At a very minimum “unfettered and reasonable access” would mean that the IOU should not be able to dictate the level of granularity or the intervals of time during which smart meter data is extracted by third party equipment. Third parties should be able to extract detailed, granular, real-time information. Third Parties should not be constrained by the nature of the data the utility elects to backhaul, in other words. So long as the customer consents to give his or her information to a third party, that third party should be able to provide services that employs any or all of the information that the Smart Meter is equipped to collect.

⁴ DRA Opening Comments, pp. 11-12 (Mar. 15, 2012).

