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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System.

Rulemaking 08-12-009
(Filed December 18, 2008)

**ASSIGNED COMMISSIONER'S RULING
GRANTING MOTION BY MOUNTAIN UTILITIES (U 906-E)
TO BE DISMISSED FROM THIS PROCEEDING**

This ruling grants the unopposed motion by Mountain Utilities (MU) to be dismissed from this proceeding. In addition, this ruling, pursuant to Decision (D.) 09-12-046 and Senate Bill 17 (Chapter 327 of the Statutes of 2009; §§ 8360 -8369¹), exempts MU from the Smart Grid requirements contained in Senate Bill 17 (SB 17) at this time.

1. Background

Pursuant to Ordering Paragraph 6 of D.09-12-046 and SB 17, MU filed *Motion by Mountain Utilities to be Dismissed from Rulemaking* (Motion) on February 1, 2010. No party opposed MU's Motion.

Section 8368, added to the Pub. Util. Code by SB 17, provides that "The Commission may modify or adjust the requirements of this chapter for any electrical corporation with fewer than 100,000 service connections, as individual

¹ All citations are to the Pub. Util. Code unless stated otherwise.

circumstances merit.” MU specifically asked that the Commission exercise this authority by dismissing MU from this proceeding.

No party opposed the Motion.

2. Argument of Mountain Utilities

In support of the Motion, MU states that it serves “approximately 700 customers in the High Sierra community of Kirkwood . . . without access to any electric transmission.”² MU points out that it is a “microutility as defined in Public Utilities Code Section 2780.”³

MU notes that D.09-12-046 stated that for Mountain Utilities, “the small size . . . and nature of . . . operations both increase the costs and diminish the benefits” of Smart Grid requirements.⁴

MU argues that for “MU – with its tiny customers base, lack of access to any electric transmission grids, and unique circumstances – participating in Rulemaking 08-12-009 would disproportionately increase MU’s costs without any clear and immediate benefits.”

MU also cites § 2780.1, which states “It is the intent of the Legislature that the commission consider the legal, administrative, and operational costs that an electric microutility faces if it is named a respondent in a hearing generally applicable to electric corporations. The limited resources of a microutility are disproportionately strained by the cost of response.”

² Motion at 2.

³ *Id.* Section 2870 defines a utility that serves less than 2000 customers to be a microutility.

⁴ D.09-12-046 at 63.

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Dated February 26, 2010, at San Francisco, California.

/s/ CRISTINE FERNANDEZ
Cristine Fernandez

N O T I C E

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