

STATE OF NEW YORK

Public Service Commission

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Central Hudson Asked to Submit Advanced Metering Pilot Plan

New York, NY—12/12/07—The New York State Public Service Commission (Commission) today directed Central Hudson Gas and Electric Corporation to submit a revised Advanced Metering Infrastructure (AMI) pilot plan once the Commission adopts a final AMI standard. AMI refers to a meter that can read hourly or other interval transfer of metered data to a central database. The stored data can be used for time-sensitive rates, load profiling, demand forecasting, outage detection, and a variety of other uses.

“The long-standing goal of this Commission has been to provide customers with more information about their energy usage so that they have the ability to control their energy costs by responding to peak prices through the use of state-of-the-art technology,” said Commission Chairwoman Patricia L. Acampora. “The infrastructure needed to support real-time peak pricing programs must include advanced meters as well as expanded back-office information systems that can manage exponentially greater amounts of usage information, and bill customers using time-sensitive rates.

This sophisticated combination of meters, and other supporting equipment, is clearly the wave of the future. However, before we approve full-scale AMI implementation, we must determine if the investment is justified and whether the meters to be installed contain features and functions that will provide consumer and system benefits, or can be later modified to add new functionality. Pilots can play a very important role in reducing the number of open questions and obtaining better forecasts of costs and benefits.”

AMI programs have grown nationally over the past year, according to a recent Federal Energy Regulatory Commission report. The report notes the rise in the number of large utilities that are planning to install AMI in the next several years, and that several states have taken actions ranging from the approval of AMI deployment to re-establishing collaborative efforts and workshops as well as issuing rulemakings. According to the report, if all the announced deployments actually occur, more than 40 million new advanced meters will be deployed in the next several years nationwide.

There are approximately 10 million electric meters in service today in New York State. Most electric customers receive monthly bills based upon average monthly prices and monthly meter readings. Using older electromechanical meters means that each customer's actual consumption in each hour or day is not known and therefore can only be inferred from a class-average load shape. With advanced metering, each customer can be billed based on that customer's own actual consumption in each hourly or daily interval.

In an August 2006 Commission order, utilities were directed to file comprehensive plans for the development and deployment of AMI, where feasible and cost effective, for the benefit of all customers (the AMI order). On December 28, 2006, Central Hudson filed an Automated Meter Reading (AMR) pilot proposal. Submission of this AMR pilot proposal was directed by Commission order establishing the company's electric and gas rate plan. On February 1, 2007, Central Hudson filed an electric AMI plan and gas AMI assessment plan in compliance with the AMI order, which incorporated the earlier AMR pilot proposal.

Central Hudson's AMR pilot proposal did not address the goals and objectives as discussed in the AMI order. Therefore, the Commission directs the company to submit a revised pilot proposal and AMI plan that will meet both the requirements of the rate plan order and the AMI order. The company's revised metering pilot proposal shall incorporate AMI functionality within the metering systems used and permit an evaluation of the cost effectiveness of AMI deployment within its service territory.

The Commission's decision today, when issued, will be available on the Commission's www.dps.state.ny.us Web site by accessing the File Room and searching for Cases 05-E-0934, 05-G-0935, 94-E-0952, 00-E-0165, and 02-M-0514. Many libraries offer free Internet access. Commission decisions can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).