

Control Number: 47472



Item Number: 119

Addendum StartPage: 0

2018 APR 11 PM 3:03

# OPEN MEETING COVER SHEET

FILED IN COMMISSION  
FILING CLERK

## COMMISSIONER MEMORANDUM

**MEETING DATE:** April 12, 2018

**DATE DELIVERED:** April 11, 2018

**AGENDA ITEM NO.:** 11

**CAPTION:** *Docket No. 47472; SOAH Docket No. 473-18-0708 -  
Commission Staff's Petition to Determine  
Requirements for Smart Meter Texas*

**ACTION REQUESTED:** Memo from Chairman Walker

Distribution List:  
Commissioners' Office (5)  
Journey, Stephen  
Margaret Pemberton (5)  
Hrncir, David

**DeAnn T. Walker**  
Chairman

**Arthur C. D'Andrea**  
Commissioner

**John Paul Urban**  
Executive Director




**Greg Abbott**  
Governor

## *Public Utility Commission of Texas*

TO: Chairman DeAnn T. Walker  
Commissioner Arthur C. D'Andrea

All Parties of Record (*via electronic transmission*)

FROM: David Hrncir   
Commission Advising

RE: *Commission Staff's Petition to Determine Requirements for Smart Meter Texas*,  
Docket No. 47472, SOAH Docket No. 473-18-0708, Final Order, April 12, 2018  
Open Meeting, Item No. 11.

DATE: April 11, 2018

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket. No other commissioner will file a memorandum in this docket.

W2013

q:\cadm\memos\commissioners\commissioner memo cover memos\47472 dtw cover memo.docx



Printed on recycled paper

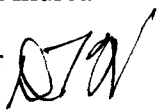
An Equal Opportunity Employer

1701 N. Congress Avenue PO Box 13326 Austin, TX 78711 512/936-7000 Fax: 512/936-7003 web site: [www.puc.texas.gov](http://www.puc.texas.gov)

# *Public Utility Commission of Texas*

---

## **Memorandum**

**TO:** Commissioner Arthur C. D'Andrea  
**FROM:** Chairman DeAnn T. Walker   
**DATE:** April 11, 2018  
**RE:** Open Meeting of April 12, 2018 – Agenda Item No. 11  
Docket No. 47472 – *Commission Staff's Petition to Determine Requirements for Smart Meter Texas*

---

In most instances, it is not my intention to modify agreements of the parties that resolve issues in contested cases before the Commission. I believe there can be value to the Commission in parties entering into agreements in contested cases. However, in this proceeding, I am compelled to make several modifications to the proposed final order submitted by the settling parties on January 29, 2018. Part of the underlying issue is that I must evaluate the agreement within the framework of the contested case as it has been brought before the Commission. I understand that there is a long history of processes to address the requirements of Smart Meter Texas, but I am not convinced that those issues should have been addressed through a contested case proceeding. However, due to the time constraints for the new contract period for the four utilities with IBM and the Commission having established a contested case proceeding, other options to address the issues are limited.

The Commission Staff memorandum filed on July 21, 2017 in Project No. 46204, *Rulemaking Regarding Third Party Access to Smart Meter Texas Data*, and Project No. 46206, *Rulemaking Regarding Governance, Performance, and Funding of Smart Meter Texas*, stated that “[t]he JDOA [Joint Development and Operating Agreement] would benefit from guidance from the Commission regarding features and functionalities to include in SMT [Smart Meter Texas] going forward, including features concerning access to AMS [advanced metering systems] data.” The Commission Staff recommended that “the Commission direct Staff to close both the instant projects and initiate a contested case requesting approval of revised requirements for SMT in preparation for the JDOA’s new RFP [request for proposals] for a vendor to operate SMT.” Based upon this recommendation, at the open meeting on June 9, 2017, the Commission instructed the Commission Staff to take such actions. The Commission Staff filed the petition in this proceeding on August 16, 2017. The petition stated the following: “Staff requests that the Commission determine what changes, if any, should be made to the requirements for the continued operation of SMT under the JDOA.” Finally, the Preliminary Order issued by the Commission in this proceeding stated the following as the sole issue to be addressed: “What changes, if any, should be made to the existing business requirements for Smart Meter Texas?”

In my opinion, the agreement of the parties in several instances goes well beyond this issue, and I do not believe such additional issues should be adopted by the Commission. Instead, the Commission should limit the order in this docket to the single issue of the appropriate business requirements for Smart Meter Texas, including the time period for a customer to renew access to its data by another entity. Therefore, issues such as cost recovery of the Smart Meter Texas, costs by the four utilities, and limitation of liability determinations are not properly before the Commission.

In addition, the Commission should neither adopt the elimination of the Home Area Network (HAN) functionality nor grant a good cause exception to 16 TAC §25.130 and the various Commission orders. While the testimony is compelling that the HAN functionality is not utilized by many customers, it is not appropriate in this case to ignore the requirements of the Commission's substantive rules. Instead, the better manner in which to address this issue is through a rulemaking proceeding.

Therefore, the Commission should direct the Commission's Office of Policy and Docket Management to draft a single order that would address the business requirements for Smart Meter Texas contained in the agreement as well as the single issue addressed in the proposal for decision. The Commission should decline to issue an order on the remaining issues included in the agreement. As to the issue addressed in the proposal for decision, the Commission should require a customer to re-affirm the data-sharing relationship with an entity on a twelve-month basis.

The Commission should also consider the manner in which to address the business requirements for Smart Meter Texas in the future. As I previously stated, I am not convinced that a contested case is the best manner in which to address the issues in the future. Instead, consideration should be given to allowing such issues to be addressed in a forum similar to the Advanced Metering Implementation Team (AMIT). Because of the contested case, I have been unable to discuss such issues with the Commission Staff and the interested parties to determine if another method, such as AMIT, could not be used. If parties are unable to reach agreements on the business requirements in such a method, then a petition could be filed at the Commission.

I look forward to discussing this matter with you at the open meeting.