

June 15, 2009

VIA ELECTRONIC MAIL AND OVERNIGHT DELIVERY

Hon. Jaclyn A. Brillling, Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 09-M-0074 – In the Matter of Advanced Metering Infrastructure (AMI)

Comments of Niagara Mohawk Power Corporation d/b/a National Grid on April 14, 2009
Notice Seeking Comment

Dear Secretary Brillling:

Herein, please find National Grid's comments on the generic benefit-cost framework proposed by the Staff of the Department of Public Service (DPS Staff) on April 14, 2009.

National Grid appreciates the DPS Staff's evaluation of benefit-cost approaches nationally and developing a framework for the Analysis of Advanced Metering Infrastructure and in its open dialogue regarding the framework at its June 1, 2009 Technical Conference.

National Grid considers AMI as one component of a broader smart grid. AMI is one segment of the enabling infrastructure, which when combined with energy management tools at and inside premises, allows customers to make more informed choices about how and when they consume energy. Smart Grid also includes advanced technologies for distribution and transmission networks enabling more reliable and efficient operations and should enable more dynamic operation to better incorporate widespread distributed generation, electric vehicles and intermittent renewable generation.

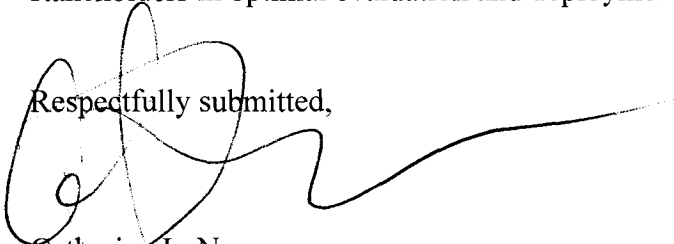
The industry and Commission approach to AMI has evolved in the past few years as the Commission recognized in its February 13, 2009 Order, which combined various longstanding proceedings into the current proceeding.¹ On April 17, 2009, the Commission established Case 09-E-0310 and requested information on utility proposals in response to potential DOE matching funding available as part of the American Recovery and Reinvestment Act of 2009 (ARRA 2009). National Grid's submission incorporates many elements of AMI into a broader Smart Grid proposal that the Company believes will benefit customers more than an incremental investment solely in AMI. Other utilities incorporated their AMI filing updates as part of that proceeding also.

¹ Such other proceedings include: Case 00-E-0165--*In the Matter of Competitive Metering*, Case 02-M-0514 – *Proceeding on Motion of the Commission to Investigate Competitive Metering for Gas Service*, and Case 94-E-0952 – *In the Matter of Competitive Opportunities Regarding Electric Service*.

National Grid recommends that the Commission combine this proceeding with the Smart Grid proceeding in Case 09-E-0310 to avoid duplicative efforts and to better focus resources and activities. In that proceeding, the parties could explore taking DPS Staff's well developed AMI cost-benefit framework and applying it to Smart Grid cost benefit analysis.

National Grid welcomes the opportunity to work with DPS Staff, other utilities and stakeholders in optimal evaluation and deployment of advanced technologies.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Catherine L. Nesser', with a long horizontal flourish extending to the right.

Catherine L. Nesser
Assistant General Counsel

cc. active parties via email