



May 1, 2009

Mr. James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Docket No. M-2009-2092655 – Reply Comments on Behalf of Wal-Mart in Response to the Draft Staff Proposal Regarding EDC Smart Meter Procurement and Installation Plans**

Dear Mr. McNulty:

Enclosed herewith please find an original copy of the “**Reply Comments on Behalf of Wal-Mart in Response to the Staff Draft Proposal and Questions Regarding EDC Smart Meter Procurement and Installation Plans**”. This document has been electronically filed through the PUC’s e-filing system. Please enter this into the docket. An electronic copy of the Comments will be sent to the Commission’s Act 129 email account at ra-Act129@state.pa.us.

Should you have any questions, please do not hesitate to contact me at (717) 233-5731.

Sincerely,

RHOADS & SINON LLP

By:   
Scott H. DeBroff, Esq.

Enclosures

cc: Act 129 email account

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**SMART METER TECHNOLOGY  
PROCUREMENT AND INSTALLATION  
PLANS**

DOCKET No. M-2009-2092655

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**REPLY COMMENTS ON BEHALF OF WAL-MART IN RESPONSE TO THE  
STAFF DRAFT PROPOSAL AND QUESTIONS REGARDING EDC SMART  
METER PROCUREMENT AND INSTALLATION PLANS**

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**DATED: MAY 1, 2009**

**COUNSEL FOR WAL-MART STORES EAST, LP AND  
SAM'S EAST INC.**

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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STAFF DRAFT PROPOSAL AND ADDITIONAL QUESTIONS**

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AND NOW COMES, **Wal-Mart Stores East LP and Sam's East, Inc.** (collectively "Wal-Mart"), by and through its counsel, **Scott H. DeBroff, Esquire** and **Alicia R. Petersen, Esquire** of Rhoads & Sinon LLP, for the purpose of these "Reply Comments" with respect to this proceeding before the Commonwealth of Pennsylvania Public Utility Commission ("PUC" or the "Commission"). In support of this proceeding, Wal-Mart avers the following:

1. Wal-Mart has been a party in the Act 129 rulemaking proceedings since their inception, and is a commercial customer in the Commonwealth of Pennsylvania. Wal-Mart's principal offices are at 2001 SE 10<sup>th</sup> Street, Bentonville, AR 72716-0550.
  
2. Wal-Mart has the privilege of providing its retail goods and services in the Commonwealth of Pennsylvania. It has 83 Supercenters, 41 Discount Stores, 23 Sam's Clubs and 4 Distribution Centers across the State of Pennsylvania and receives electric services from several EDCs throughout the State.

3. Throughout the United States, Wal-Mart has participated in energy efficiency, demand response, and advanced meter installations. Wal-Mart has implemented measures in its facilities to enhance its energy efficiency capabilities. Based on its experience with energy efficiency throughout the United States, Wal-Mart has unique insight into many load reduction programs and the potential such programs can offer.

4. Wal-Mart's purpose for participating in this proceeding and filing Reply Comments is to contribute, participate and respond to the issues raised by the Commission or raised by other parties in this proceeding. Wal-Mart has participated as a party before this Commission, other state commissions, and the Federal Energy Regulatory Commission.

5. Wal-Mart has a direct, immediate, and substantial interest in the subject matter of this proceeding and can offer additional insights and perspectives regarding advanced metering, energy efficiency and conservation, and demand response activities in Pennsylvania.

6. Following are the Reply Comments submitted by Wal-Mart in response to the party comments to the March 20, 2009 Staff Draft Proposal and Questions relating to the electric distribution company (EDC) Smart Meter Procurement and Installation Plans.

**REPLY COMMENTS ON BEHALF OF WAL-MART TO COMMISSION'S SMART METER  
PROCUREMENT AND INSTALLATION PROGRAM AT DOCKET NO. M-2009-2092655**

While Wal-Mart agrees with many of the thoughts and responses as offered by the Parties to this docket, we would also like to point out those issues we believe are important to discuss as we move forward through the process in this proceeding.

Since 2005, Wal-Mart has installed over 1,185 advanced meters in its U.S. stores including all retail facilities in Pennsylvania. Wal-Mart has been using energy management systems to control HVAC, lighting, and refrigeration in its U.S. facilities for over 20 years. These systems can be monitored and controlled from a central location on a 24 hour per day, 7 day per week basis. Additionally, Wal-Mart's advanced meters and energy management system are a major driver in its ability to have a substantial impact on peak load reduction when called upon by the utility/ISO during times of peak usage. Wal-Mart has invested extensive time and resources in the development of its metering system and believes this system will allow Wal-Mart to continue to be a major asset to the energy industry. The advanced metering system has helped Wal-Mart with its effort to reduce its energy consumption, which yields secondary benefits, such as the reduction of congestion on the grid and ultimately the reduction of GHG emissions.

From a Wal-Mart perspective, the direct benefits to be derived from advanced metering and our energy management system include reduced energy usage and the increased ability of customers to manage their own energy loads. These benefits can be made possible through the installation of smart meters that transmit energy usage and other data back and forth between the utility or ISO/RTO and the customer. However, customers cannot realize energy saving benefits unless the utility or ISO/RTO develop pricing options that enable customers to take advantage of

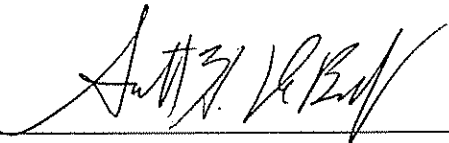
the data generated by the smart meters. Wal-Mart believes that there should be a menu of transparent pricing options that will provide all ratepayers with a method of understanding what they are paying for the electricity they are using at any given time in order to promote energy conservation. Utilities should work collaboratively with customers to formulate a menu of pricing options that provide opportunities for all customers to optimize energy use and demand reductions.

Wal-Mart also believes that to the extent customers have made technical and capital investments in advanced meters on their own, they should not be required to install or pay for a utility provided advanced meter as long as the customers meter is interoperable with the utility's own system. Wal-Mart has advocated and will continue to advocate for competitive metering. Customer choice allows ratepayers to select the system that best fits their individual needs and could help ensure cost effectiveness and technological improvements.

Discussion in some of the initial comments in this docket dealt with direct load control. Although that method of demand reduction may work well for some customers, large users such as Wal-Mart, who depend on customer flow for their business simply cannot participate in programs requiring any type of direct load control by the utility for safety reasons.

WHEREFORE, Wal-Mart appreciates the opportunity to file these Reply Comments in this docket and looks forward to future participation in the process to address Smart Meter Procurement and Installation.

Respectfully submitted,

By: 

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**DATED: MAY 1, 2009**

**COUNSEL FOR WAL-MART STORES EAST, LP  
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**CERTIFICATE OF SERVICE**

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I hereby certify that a copy of the foregoing "REPLY COMMENTS ON BEHALF OF WAL-MART IN RESPONSE TO THE STAFF DRAFT PROPOSAL AND ADDITIONAL QUESTIONS" was served on the Commonwealth of Pennsylvania Public Utility Commission along with the service list on this 1<sup>st</sup> day of May, 2009.

Dated: May 1, 2009

By: 

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