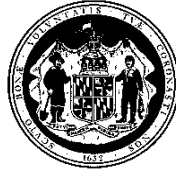


STATE OF MARYLAND

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PUBLIC SERVICE COMMISSION

October 7, 2016

In the Matter of the Request of Southern	*	
Maryland Electric Cooperative, Inc. for	*	Case No. 9294
Authorization to Proceed with	*	
Implementation of an Advanced Metering	*	
Infrastructure System	*	

* * * * *

NOTICE OF REQUEST FOR COMMENTS

On September 21, 2016, the Southern Maryland Electric Cooperative, Inc. (“SMECO” or “Cooperative”) filed with the Maryland Public Service Commission (“Commission”) a Request for Authorization to Implement its Plan to Mitigate Potential Future Rate Effects of Advanced Metering Infrastructure (“Plan”) in the above-captioned proceeding.¹ Specifically, the Cooperative requests that the Commission (1) confirm that SMECO has the authority to depreciate Advanced Metering Infrastructure (“AMI”) over fifteen years and (2) allow SMECO to implement a temporary tracker on its customer-members’ bills to support AMI deployment. SMECO argues that the fifteen-year depreciation period will better match the Company’s expectation for the useful life of the AMI system than would a shorter period, while the temporary tracker (“Capital Cost Recovery Mechanism” or “CCRM”) would begin to collect revenue closer in time to when benefits to customer-members begin to accrue than would waiting for a future base rate case. These two components would have the effect of spreading cost recovery over a longer period of time, thereby decreasing the rate impact in any single year.

The Commission hereby provides Notice of Request for Comments on SMECO’s Plan. Specifically, the Commission would like comments on (1) the merits of extending the depreciable life of AMI as it applies to SMECO and any applicable recommendation for Commission consideration and (2) the establishment and implementation of a tracker at this time as a partial cost recovery mechanism as it applies to SMECO’s AMI deployment. The Commission is not seeking comment on the appropriate level or structure (fixed versus volumetric) of the proposed CCRM, but rather whether the implementation of a tracker is an appropriate cost recovery mechanism as it applies to SMECO’s AMI deployment. Any comments on SMECO’s Plan shall be filed by November 8, 2016. An original and 17 two-sided

¹ See ML 199486. A copy of SMECO’s Plan may be viewed or downloaded from the electronic case jacket in this proceeding at www.psc.state.md.us.

paper copies, and an electronic copy², of each filing made pursuant to this Notice shall be submitted to David J. Collins, Executive Secretary, Maryland Public Service Commission, 6 St. Paul Street, 16th Floor, Baltimore, Maryland 21202. Five of the paper copies to the Commission shall be three-hole punched. Interested parties are encouraged to use the Commission's "e-file" system that is available on the Commission's website, www.psc.state.md.us.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Executive Secretary

² The Commission encourages persons to submit the electronic copy of a filing through the Commission's E-file system, which is available via the Commission's website.