

May 21, 2009

FILED ELECTRONICALLY

Sandra J. Paske, Secretary to the Commission
Public Service Commission
PO Box 7854
Madison, WI 53707-7854

Re. Docket 05-UI-116 – Investigation to Develop and Analyze Alternative Electric and Natural Gas Rate Design and Load Management Options which have the Potential to Reduce Emissions of Greenhouse Gases

Dear Ms. Paske:

The *Customers First!* Coalition (CFC) respectfully requests permission to submit comments on the Amended Notice of Investigation and Request for Comments issued April 2, 2009 for the above mentioned docket. The CFC's Board of Directors meets monthly and therefore was not able to discuss the issues in the Amended Notice and develop comments within the short comment period allowed.

The CFC is an alliance of residential and business consumer organizations, low-income and environmental groups, labor associations, municipal utilities, rural electric cooperatives, wholesale suppliers and an investor owned utility. The CFC and its member organizations have participated in many policy discussions affecting electric utility regulation and wholesale and retail market competition.

The CFC supports cost effective and well designed demand response programs. The CFC believes that the current demand response programs in Wisconsin have been successful. The CFC also recognizes that developments in federal policy may create additional demand response opportunities, lead to the development of new demand response programs and require design changes to existing programs or creation of new programs. Such changes may

be necessary to encourage additional participation and ensure equitable treatment of all customers.

The Amended Notice specifically requests comments on FERC Order 719 and whether to allow individual retail customers or Aggregators of Retail Customers (ARCs) to bid demand response resources from retail customers directly into the wholesale market. CFC joins the unanimous comments in this docket in requesting that the Commission not allow such participation, at least not until the cost, tariff and policy issues are thoroughly understood. The CFC believes that allowing direct customer or ARCs to participate in the wholesale markets in Wisconsin is at best premature. Until the Midwest ISO tariff provisions are filed and completely understood, it is impossible to determine what retail regulatory response is appropriate. If direct retail customer participation in the wholesale markets is permitted without this information, such participation runs a high risk of raising total costs, shifting costs among customers and customer class, and otherwise causing results contrary to public interest.

While demand response potentially presents an excellent opportunity to reduce costs and improve service, the details are critically important to achieving such results. This is a circumstance in which there truly is no first mover advantage: the PSC should deny direct retail participation in wholesale markets, at least until the PSC has had an adequate opportunity to investigate the issue and understand how the wholesale market will actually work, and the PSC can determine how to best deliver demand response services in Wisconsin.

Sincerely,

/s/ Matt Bromley

MATT BROMLEY
Executive Director
Customers First! Coalition

608-286-0784 mbromley@customersfirst.org