

November 1, 2010

Office of Electricity Delivery and Energy Reliability  
U.S. Department of Energy  
1000 Independence Avenue, SW, Room 8H033  
Washington, D.C. 20585

RE: *Smart Grid RFI: Addressing Policy and Logistical Challenges to Smart Grid Implementation*, 75 Fed. Reg. 57,006 (September 17, 2010).

Ladies and Gentlemen:

Okaloosa Gas District (The District) an Independent Special District of the State of Florida is appreciative of the opportunity to submit for your consideration the following comments in response to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability's Request for Information *Addressing Policy and Logistical Challenges to Smart Grid Implementation*, 75 Fed. Reg. 57,006 (Sep. 17, 2010). The Request seeks comment on challenges that confront smart grid implementation and recommendations on how best to overcome those challenges.

Okaloosa Gas District serves four counties in Northwest Florida, including two major Military bases. The District serves over 37,000 residential and small commercial customers.

We believe the smart grid to provide solutions for a more effective and efficient use of energy. However we must not lose sight that implementation should be viewed as part of a broader smart energy future and energy value chain that powers homes and businesses.

The District supports Smart Energy initiatives being developed by The Gas Technology Institute ("GTI") and Navigant in the development of a compelling vision that will highlight how natural gas can provide the key to a smarter energy future through energy-efficient, direct use of abundant, low-carbon emission natural gas and through the integration of natural gas with electricity and renewable energy. The completed White Paper will be submitted to the Department of Energy as a foundation for continued discussion of these important objectives at the end of November 2010.

The "Smart Grid" definition must be expanded to include all energy sources and not just the electric grid. Limiting efforts of the Smart Energy grid to electricity ignores the benefits offered by the natural gas industry and its immense network of pipeline infrastructure and resources. It is eminent to include Natural gas as part of the energy solution. Natural gas is abundant and produced within the nation's borders, and its place in the energy future is well documented.

We believe abundant, domestic, low-carbon natural gas resources, together with robust natural gas transmission and distribution systems can and should play a significant role in increasing the reliability and efficiency of the nation's energy grid and in the larger Smart Energy Future.

Respectfully submitted,

Jose N. Lozano  
CEO  
Okaloosa Gas District