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MARYLAND CONSUMERS RECEIVE IMPORTANT PROTECTIONS IN PUBLIC SERVICE COMMISSION ORDER ON SMART METERS

Statement from People's Counsel Paula M. Carmody:

“The Maryland Public Service Commission orders on the BGE and Pepco smart meter proposals demonstrate the importance to consumers of a full review of utility proposals that have a high price tag and uncertain consumer benefits, and which raise important consumer protection concerns. OPC pressed for a full evidentiary hearing in both cases, and OPC was able to achieve important protections for our residential consumers as a result of our advocacy.

As urged by OPC in BGE's case (Case No. 9208), the latest PSC order (Order No. 83531) upheld its earlier rejection of a tracker – or automatic cost recovery – for even a portion of the costs for BGE's program. The companies can install these new meters in households, but they cannot collect money up front from customers. Ultimately, if they seek any cost recovery, they must show to the Commission that they have delivered a prudent and *cost-effective* smart meter system. These principles apply to both BGE and PEPCO. OPC will scrutinize all aspects of the roll out of the new meters to protect the interests of consumers. OPC also had opposed mandatory time of use rates and a company incentive, two aspects of BGE's original proposal that have since been eliminated.

For both BGE and Pepco, the Commission also recognized the importance of helping consumers understand – before, during and after the meter installations - what these meters are, what they do and don't do, and what impacts the meters may have on customer interactions with the utilities. Education is central, and it is the utilities' responsibility.

Important issues still remain as the companies roll out these smart meter installations. These include critical cyber-security and privacy issues as well as the fundamental question regarding access to all of the data that will be generated by the new meters. OPC believes that the security and privacy of the consumer information is paramount, and must be protected. We also do not expect to see any changes in current service disconnection rules and practices that reduce the protections that consumers now have. Should any utility propose any rule change or program that dilutes essential consumer protections, OPC will oppose it.

OPC will be actively engaged in the Commission approved process to protect BGE's and Pepco's residential customers' best interests as these smart meter programs are implemented.”

The Maryland Office of the People's Counsel is an independent state agency which represents residential consumers of regulated utility services including electric, gas, telecommunications, and water services, before the Maryland Public Service Commission, other state and federal agencies and the Courts.