

**Minutes of the
Pennsylvania Public Utility Commission's
Consumer Advisory Council**

Meeting of September 25, 2012

P.O. Box 3265

www.puc.pa.gov

Harrisburg, PA 17105-3265

Call to Order and Introductions

Harry Geller called the meeting to order at 10 a.m. in the Executive Chambers of the Public Utility Commission.

The Council approved the minutes for July 24, 2012.

Attendance

The following members of the Council were present:

Pedro Anes

Michael Bannon (telephone)

Lillian Carpenter (telephone)

Cindy Datig (telephone)

John Detman

Harry Geller

Rick Hicks (telephone)

Tina Serafini

Lee Tolbert (telephone)

The following members of the Council were unable to be present:

Tim Hennessey, Chairman

Robert Christianson, Vice Chairman

George Silvestri

Joe Toner

Public Utility Commission Staff present:

April Ballou, Chairman Powelson's staff

Patrick McDonnell, Commissioner Witmer's staff

Tom Charles, Office of Communications

Lori Shumberger, Office of Communications

Kriss Brown, Law Bureau

Darren Gill, Bureau of Technical Utility Services

Guests Present:

Bernadette Foisy, PECO

Karen Markey, Energy Association of PA

Sarah Stoner, PA Utility Law Project volunteer

Heather Yoder, Office of Consumer Advocate

Smart Meters Update

Darren Gill from PUC Technical Utility Services (TUS) and Kriss Brown from the PUC Law Bureau were invited to give an update on smart meters.

Darren Gill thanked the Council for the opportunity to give an update. The topics to be discussed are: Are smart meters mandatory? Which utilities have already installed them? What is the cost to the average ratepayer? How do they work? What kinds of data is captured and by whom? What are the health consequences? Darren Gill said he would provide an overview of the PECO smart meter fires and the PUC's role.

Kriss Brown said Act 129 requires all utilities to have smart meters and time of use. It requires all electric distribution companies (EDCs) with 100,000 customers or more to file smart meter technology procurement and installation plans with the Commission for approval.

Kriss Brown said the Commission adopted a Smart Meter Procurement and Installation Implementation Order to establish the standards each plan must meet and to provide guidance on the procedures to be followed for submittal, review and approval of all aspects of each smart meter plan.

The Implementation Order required covered EDCs to address, among other things, standards and formats for electronic data communications with customers and customer authorized third parties. The proposal recommends data exchange standards for current and new business processes, and a timeline for the development of smart meter data exchange standards.

The Implementation Order required EDCs to convey the following data electronically to customers and their designated agents: (1) real-time and time-of-use prices; (2) historical interval usage; and (3) bill quality interval usage.

Kriss Brown said, if the Council would like to read the documents, the Implementation Order and utilities' plans, the information is under Docket No. M-2009-2092655 on the Commission's website.

Darren Gill said the utilities must use smart meters with the capabilities to capture data used and recorded on a daily usage instead of a monthly usage.

There are a lot of concerns about privacy and personal usage. The utilities are still collecting the same type of data as before.

There is possibility for a home area network that the Commission is open to consider. Consumers could purchase a device from Home Depot that can work with the smart meter and smart appliances to provide up-to-date usage to the consumer's smart phone or computer. This could be for the entire home or for separate rooms in the house. But the consumer will need to buy the equipment. Kriss Brown said the smart meter would not record this data, and a consumer would need to purchase it.

Harry Geller asked about restrictions in place for suppliers. Kriss Brown said suppliers cannot release a customer's usage to anyone. It is only for tracking energy use.

John Detman questioned the accuracy of the smart meters and data. Darren Gill said each meter is tested for accuracy, and, if a customer believes their meter isn't accurate, they can call the utility. PPL has had an hourly meter reading for years. A utility can look at a residential account and see what has changed for the month. PPL's meters have been semi-smart meters for years.

Pedro Anes questioned the safeguards for a customer that is using an app to get up-to-date information. How can a customer be sure their information is secured? Kriss Brown said both the communications with the meter and customer must follow federal and national standards for security. The equipment and the application to receive the data are password protected.

Harry Geller asked who would be responsible for security issues and hacking. Darren Gill said the PUC, FERC and DOE all have a role in protecting the consumers. Kriss Brown said the federal power act required new standards for security and the PUC is following these standards.

Darren Gill said not all utilities have filed their plans yet. Once each utility's plans are filed, the PUC must review them. If the Council would like to be involved, this could be an area to be involved. The Council can follow along with the press releases.

At this time the utilities that have or are in the process of installing smart meters are; PECO is in the process; PPL has semi smart meters installed, but not the new smart meters; and Met-Ed has done a small project in York, but the meters are not what they are planning to use going forward.

Darren Gill is not sure what the average cost will be to electric customers. The utility companies have not finalized their filings. When the plans have been filed, a summary of costs will be indicated then. All companies will have to be upgraded to smart meters.

Kriss Brown said utility companies are using broadband at this time to transmit their information, but he is not sure if they will continue to do so.

Darren Gill said the old meters record usage with a spinning disc connected to rods that spin the numbers. The new smart meters will work on electric pulses connected to a micro processor. The new meters will have a memory board that will record customer data use every hour and once a day. It will send a blast back to the company for the daily usage. The meter will be able to store up to two weeks of data in case the company's computers go down. This will eliminate the need for meter readers or estimated meter readings. This also will help with outages.

Lillian Carpenter asked about apartments that the landlord pays the utility and charge the tenants a flat rate. Will the landlords be able to see the usage? Also, will low-income customers get a reduced rate for their meter? Darren Gill said right now only the customer has the right to see the meter data. Kriss Brown said it depends if there is

a meter per unit or just one meter. Harry Geller said at this time low-income customers' issues have not been addressed.

Lee Tolbert asked, if consumers have an issue with the utility company and the smart meter, what is the process. Kriss Brown said anyone can file a complaint, and the utility must prove the unit is accurate. Lee Tolbert asked if there is information on filing a formal and informal complaint for these issues. Harry Geller said filing a complaint has not changed. There is information out there already. Maybe this should be a separate issue for a future meeting.

Darren Gill said the PUC has met with PECO on smart meter problems. PECO will contact the customer with a letter or brochure on smart meter facts and concerns. If a customer has other questions, there is a phone number that they can call.

Harry Geller mentioned the PECO issues with their smart meters and fires. Darren Gill said at this time the PUC cannot comment on this since there is still an informal investigation. Tom Charles said there is a copy of the PECO smart meter implementation plan briefing and presentations that was held on September 13, 2012, in your packets.

Darren Gill said PECO contacted us about one or two of the meters failing. PECO is using three different brands of meters. Once they determine what the issues are and if it is only a certain meter, they will let us know.

Darren Gill said at this time PECO has stopped installing smart meters until further notice.

The PUC has received information on 29 meters that have problems. Most of the issues have been water intrusion. An independent company is reviewing all the issues. Most of the issues have been with Sensus meters. PECO has stopped using them completely and have replaced Sensus meters that were already deployed. PECO has taken care of the cost of repairs to the homes damaged.

Lee Tolbert asked what has caused these meters to overheat. Darren Gill said at this time we are not sure. The independent company should be submitting a report in the near future.

Harry Geller mentioned that the Council could monitor smart meters issues. Could the Council be informed about filings and any issues involving smart meters? Kriss Brown said he would work with Tom Charles and let him know of any filings.

Termination/Reconnections, Call Center Complaints Update

Dan Mumford, from the PUC's Bureau of Consumer Services (BCS), for an update on terminations/reconnections and call center complaints. A copy of the terminations and reconnections for July and August are in the packets. A copy of a press release and order on a PPL settlement and a handout on BCS's complaints also are in the packets.

Dan Mumford said the August year-to-date terminations are lower than 2011. The big change is the Peoples numbers. Last year, Peoples was undergoing a system upgrade. Peoples are back to regular termination procedures.

Dan Mumford said utilities will be starting their cold weather survey of terminated customers. The utility companies must go out and must make four attempts to contact consumers who are known to be without heat-related utility service. The utility is not required to restore service or work out something with the customer. The companies must let the Commission know how many residents are still off. The Commission will put these numbers out in December.

Harry Geller said he knows the companies are not required to restore terminated customers but is there any change in the standard for companies to contact them? Dan Mumford said there are the standard requirements for the companies. It is up to the companies to decide if they will give a reduced rate to reconnect customers.

The question was asked if the utility could screen the customer's information better and help those who could receive additional services to help get them reconnected. Harry Geller said that would be up to the utility's discretion. When the PUC sends out the "Prepare Now" letter, it is still a request from the Commission.

Dan Mumford said the PUC issued for comment a settlement with PPL over an informal investigation into a residential termination. The resident was terminated and the customer passed away at his residence. The PUC is looking into this due to a number of issues. The customer was given wrong information on the termination date. The Council can submit comments on this.

The PUC and PPL have reached a settlement. Under the proposed settlement, PPL will pay a \$30,000 civil penalty and \$15,000 to its Operation HELP Hardship Fund, which helps low-income customers maintain service. PPL will do enhanced training at its call center and will retrain some of its customer service personnel and provide copies of its monthly call monitoring reports and provide for direct monitoring of calls by PUC staff.

Harry Geller asked about the settlement amount. How does the PUC determine the settlement amounts? Is there a criterion that the PUC follows? Dan Mumford said he would look into the history of compliances. There are many factors that come into account with each settlement.

Dan Mumford said on the competitive marketing on door-to-door solicitation, comments have been submitted. Keep an eye out for the rulemaking. He will update the Council when the rulemaking is final.

Dan Mumford said he was asked to give an update on the call center complaint activities. A copy of the complaint spreadsheet is in your packets. The spreadsheet is basically numbers and raw data on what customers are complaining about.

Page 1 covers electric termination and payment agreements. Electric has the most complaints and activities. The largest complaint is termination with payment agreement needed.

Page 2 is electric consumer complaints. These cover weather outages, termination related, CAP disputes and billing disputes. Billing dispute is the biggest complaint. Smart meters are also under this category.

The next four pages cover gas, water and telecommunications issues.

Pedro Anes asked about competition complaints. Dan Mumford said they could be door-to-door marketing, marketing information that they don't understand and customer slamming.

Harry Geller said he receives regularly calls on CAP customer issues. The PUC is not allowed to set up payment agreements for CAP customers. Dan Mumford confirmed that by law the Commission cannot set up a payment arrangement for CAP customers, but we can investigate other issues.

Harry Geller said that in the handout Dan Mumford provided under payment agreements and consumer complaints there is a CAP dispute category. Is it correct to say, one deals with payment issues and the other deals with other issues not related to payments? Dan Mumford said that is correct.

Harry Geller questioned if there are a CAP subtopic that would show how many are for payment agreements and how many are for other issues. Dan Mumford said he isn't sure if BCS has the ability to break down the categories more.

2-1-1 Fund Update

Rick Hicks said he was asked to give an update on the 2-1-1 funding issue and petition on behalf of the Western PA 2-1-1 fund call center and referral services.

At this time, there are eight counties out of 11 that have signed onto the 2-1-1 funding to use universal service dollars. The last three counties are expected to sign on soon.

The partnership pilot program has support of the five Southwest utilities, which are: Peoples, Equitable, Columbia, FirstEnergy and Duquesne. The program also is securing non-utility funding to help.

Pedro Anes asked if there is a certain amount that is needed to be funded. Rick Hicks said there is no special number, but they are looking at each utility to file a supplemental tariff requesting the use of universal service money to help fund 2-1-1.

Rick Hicks said he expects to file the petition on behalf of the five utilities sometime in October. The petition, if approved, would require each utility to file supplemental tariffs representing the amount of funding they each agreed to contribute.

Harry Geller stated he was concerned about using the universal service money that is limited in amount and is dedicated to help low-income customers. If this program runs on the lines of duplicating the CARES program, it would take funds away from these existing services. Rick Hicks said all these concerns would be addressed.

Commission Website, PA PowerSwitch Update

Tom Charles said the Commission launched a major revised PUC website this week.

Tom Charles said if the Council would like to see the website, he will do a walk through at a future meeting.

The website is more consumer friendly to find information on each utility. The search option is easier to maneuver. There are now videos of public meeting and educational videos on the website.

The PAGasSwitch website is now available. It is modeled after our PA PowerSwitch site. Customers can compare gas prices side by side.

There is now a small business shopping page on the PAPowerSwitch website.

Mileage Reimbursement

Lori Shumberger said that the Governor's Office of Budget has sent out a revised travel policy for the Commonwealth. This includes non-employee members that attend meetings for various committees. A copy of the policy is in your packets.

Lori Shumberger said the policy states everyone will need to rent a car from Enterprise Car rental starting October 1, 2012. The Commonwealth has awarded a contract to Enterprise for the statewide provision of temporary transportation services.

This means the Council will need to rent a car from Enterprise. They will come out and pick you up at your house.

We were told that we can request waivers for individuals with a unique set of travel-related circumstance. These will be addressed on a case-by-case basis.

If you decide to continue to use your personal car, your reimbursement will be limited to the lower, other-vehicle-available rate of 19 cents per mile.

We are not sure if the Comptroller will pay the 44 cents or the 19 cents per mile this month. But the Council will need to start following this policy for the November meeting.

Harry Geller indicated that he understood that the Commission was simply following the state travel policy but stressed that in the last couple of years, the council acted to cut

down its meetings to two hours, conduct them bi-monthly and more members call in instead of driving. The Council has acted to reduce their costs, but these actions have resulted in a reduced level of direct CAC membership activity. This additional revised travel policy would exacerbate this situation. He asked the PUC to see if there is anything that can be done to avoid this result.

John Detman said that most everyone has a regular job and now to ask them to have to take additional time to get a rental car does not seem right.

Discussion of CAC Priorities

Harry Geller asked if there are any topics the Council would like to discuss at a future meeting.

Tina Serafini asked about the Drexel forum and how did it go. Tom Charles said he would add it to a future meeting for discussion.

Michael Bannon said he would like an update on the landlord/tenant issue to be kept on the agenda.

Harry Geller said Act 129 Phase 2 plans should be submitted soon and would like an update.

Harry Geller asked for an update on the utility company's default retail marketing plans.

Tom Charles said that Bob Christianson was in rehab due to another fall.

Future Meeting Topics Include:

- 2-1-1 Funding
- Aging Workforce and Line Crew Update
- Alternatively Fueled Vehicles
- Cost of Energy
- Council's Role and Jurisdiction Update
- Landlord/Tenant Update
- Legislative Update
- Marcellus Shale Update
- Marketing Guidelines Update
- Retail Markets Investigation Update
- Smart Meters Update
- PUC Website Walk-Through

The next meeting for the CAC will be held at 10 a.m. on November 27, 2012, in the Executive Chambers of the Commonwealth Keystone Building.

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