

Dear Editor,

As People's Counsel for the District of Columbia, I would like to thank you for Lisa Rein's article "*Off Peak Laundry? Pricing Power by the Hour*" (Wednesday, December 12, 2007.) This article served to educate consumers about Smart Meters and to alert consumers about the potential to help some consumers save money.

But, an important detail noted in the report requires clarification. In the District of Columbia, the Smart Meter Program is a "*Pilot*" Program and will officially begin in February or March 2008. It will end approximately two years later in 2010, at which time the data will be reviewed and assessed. Only the testing portion of the program will occur in January as suggested in the article. Currently in DC, PEPCO does not have the authority to implement a Smart Meter Program on a "permanent" basis.

OPC conceived of and negotiated funding for the Smart Meter Pilot Program as a part of the 2001 PEPCO/Conectiv Settlement. At that time, PEPCO agreed to put up \$2 million for the program. (*This means that PEPCO's shareholders are paying for this Pilot Program, and not District ratepayers.*) The funding for the program was one of the reasons that OPC agreed to sign the Settlement Agreement--as being in the public interest and a "win/win" for PEPCO and D.C. Consumers.

The Pilot Program, called **PowerCentsDC**, will test consumer reaction to different real time rate structures to try to determine what works best for residential consumers. The Pilot Program will also test consumers' willingness to respond to real time prices.

PowerCentsDC is governed by a Board chaired by a Public Service Commissioner. The Board's members are IBEW, PEPCO, the DC Consumer Utility Board, and of course, OPC-DC. All parties are equal participants. PowercentsDC will provide smart meters to approximately 1200 randomly selected residential consumers who will be placed on one of 3 real time pricing rates as indicated in the article. The information gained from this Pilot Program will allow regulators and policy makers to develop appropriate

regulatory policies and new rate design programs that will best meet the needs of DC consumers.

At the end of the day, the interests of D.C. consumers have remained unchanged. Consumers want safe, adequate and reliable electric service provided in a manner that respects the environment and the growing interest in the use renewables. Consumers want all of this at rates that are reasonable. In 2007 and beyond, the term “reasonable rates ” means “affordable rates.” The question is, will Smart Meters help D.C. consumers reduce their usage and allow them to save money? The information gathered in DC through this pilot program, will provide some answers.

The article was correct that many consumer advocates, including this People’s Counsel, remain concerned about the ability of some consumers to respond to “real time” pricing. This is also an issue that must be examined once the Pilot Program ends and the D.C.- specific data is available for review and analysis.

Call me “Pollyana,” but, I have “volunteered” to participate in this program so that I can experience the “Dream.” As a result, my family and I will have a “*front row seat*” on this energy technology ride. We will gain empirical knowledge of the pilot program and along with other pilot participants, share our experiences with interested consumers in reports posted on the OPC website. At that time, you can log onto www.opc-dc.com and follow our experiences in this Pilot Program. I am committed to advising consumers about the “good, the bad and the ugly” of smart meters in the home.

Wish me Luck!

Sincerely,

Elizabeth A. Noel, Esq.
People’s Counsel for the District of Columbia