

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission’s Review of)
Chapter 4901:1-10, Ohio Administrative) Case No. 12-2050-EL-ORD
Code, Regarding Electric Companies.)

**SUPPLEMENTAL COMMENTS
BY
THE OFFICE OF THE OHIO CONSUMERS’ COUNSEL**

I. INTRODUCTION

The Public Utilities Commission of Ohio (“PUCO” or “the Commission”) has invited comments on its Staff’s proposal to allow electric customers to opt-out of having their electricity usage measured with a new advanced “smart” meter instead of the traditional meter.¹ There has been some controversy (including privacy concerns) surrounding smart meter deployments in other states, where some customers preferred to use a traditional meter. The PUCO Staff’s proposal includes that there should be a cost to consumers who continue the use of a traditional electric meter, with electric utilities proposing in future cases the amount they would charge customers for traditional meters

The PUCO is statutorily obligated to promulgate rules that specify the minimum service quality, safety, and reliability requirements concerning the supply of electric service in the state.² These rules serve a critical purpose in helping promote the state policy for ensuring that consumers have adequate, reliable, safe, and efficient electric service.³

¹ *In the Matter of the Commission’s Review of Chapter 4901:1-10, Ohio Administrative Code, Regarding Electric Companies*, Case No. 12-2050-EL-ORD, Entry at para. 3 (July 10, 2013).

² R.C. 4928.11(A).

³ R.C. 4928.02(A).

OCC welcomes the opportunity to file these supplemental comments on behalf of the 4.3 million residential electric customers in Ohio. The PUCO should adopt the recommendations in these supplemental comments (in addition to OCC's earlier comments and reply comments on other issues affecting consumers) toward the result of better service quality, safety, and reliability for Ohio residential electric consumers.⁴

II. GENERAL COMMENTS

OCC supports providing customers the option to opt-out of having an advanced meter. As stated, there has been some controversy surrounding smart meter deployments in other states where some customers preferred using a traditional meter. In California, for example, there was concern about the accuracy of the usage being recorded with advanced meters.⁵

Where customers are not allowed a choice between meters, ill-will could develop between some customers wanting a traditional meter and utilities installing advanced meters. That situation can potentially be avoided by allowing customers the continued use of the traditional meter.

Customer concerns about advanced meters can range from privacy and cybersecurity to health and safety.⁶ Customers' privacy must be protected and adequate safeguards must be in place to prevent unauthorized disclosures of personal information. In this regard, OCC recommended additional enhancements for the PUCO's Electric

⁴ OCC's proposals for new language are indicated by ALL CAPS. All deletions proposed by OCC are indicated with ~~strikethrough~~.

⁵ http://www.smartgridnews.com/artman/uploads/1/California_PUC_order.pdf

⁶ www.nasuca.org/archive/res/index.resolutions.php; Smart Grid Principles of the National Association of State Utility Consumer Advocates Resolution 2009-03, June 30, 2009.

Service and Safety Standards (“ESSS”) in our comments dated January 7, 2013,⁷ and in our comments filed in another PUCO case that was specifically addressing smart grid privacy concerns.⁸ To the extent consumers’ concerns about advanced meters can be addressed and resolved, the result can be a reduction in the number of customers who want to opt-out from having an advanced meter. Otherwise, significant opt-out numbers could reduce the operational cost savings and overall system benefits available for consumers generally.⁹

III. SPECIFIC COMMENTS

A. 4901:1-10-01 Definitions.

1. Ohio Adm. Code 4901:1-10-01(A)

The PUCO Staff proposed a definition for “advanced meter” in Ohio Adm. Code 4901:1-10-01(A). The proposed definition lacks a key parameter of an advanced meter, which is the capability for wireless communications to and from the meter. Without the inclusion of this information in the definition, practically any automated metering device could be considered an advanced meter. In addition, advanced meters can be used for purposes other than just registering power, such as measuring the technical characteristics of the power being delivered to end users.

Accordingly, the PUCO should adopt following amendment to the proposed Ohio Adm. Code 4901:1-10-01(A)

⁷ OCC Comments at 18-22 (January 7, 2013).

⁸ In the Matter of the Review of the Consumer Privacy Protection, Customer Data Access, and Cyber Security Issues Associated with Distribution Utility Advanced Metering and Smart Grid Programs, Case 11-277-GE-UNC, OCC Comments (March 4, 2011).

⁹ Voices of Experience, Insights on Smart Grid Customer Engagement, U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability, at page 31.

“Advanced meter” means any meter that meets the pertinent engineering standards using digital technology AND IS CAPABLE OF PROVIDING TWO- WAY COMMUNICATIONS WITH THE ELECTRIC UTILITY TO PROVIDE USAGE AND/OR OTHER TECHNICAL INFORMATION ~~to measure demand and/or usage and has the capability to communicate such measurements to the electric utility without a manual read.—~~

2. Ohio Adm. Code 4901:1-10-01((GG))

The PUCO Staff proposed a new definition for a traditional meter, which is a meter that is not an advanced meter. However, it is unclear if the proposed definition for a traditional meter includes only the current analog meters or if an advanced meter with a disabled communications device would also qualify as a traditional meter. There can be cost implications concerning which type of meter is provided for a customer who participates in the advanced meter opt-out program.

Therefore, the proposed Ohio Adm. Code 4901:1-10-01(GG) should be amended as follows:

“Traditional meter” means any meter that is not an advanced meter WITH TWO- WAY COMMUNICATIONS WITH THE UTILITY.

B. 4901:1-10-05 Metering.

1. Ohio Adm. Code 4901:1-10-05(I)(2)

The PUCO Staff proposed a new rule in Ohio Adm. Code 4901:1-10-05(I)(2) that concerns certain notices that the electric utility must provide customers who express interest in using a traditional meter. While the proposed rule requires the utility to disclose the costs associated with using the traditional meter, the utility has no obligation to work with customers to determine if the concerns with the use of the advanced meter

can be alleviated. Customers may have obtained incomplete or inadequate information about the advanced meters.

In addition, there could be multiple options available for traditional meter service such as installing a meter like the current analog meters or merely disabling the communications device in the advanced meter. Customers should be informed of the costs associated with each option. It should then be the customer's decision as to which meter is installed.

Accordingly, the PUCO should adopt a rule requiring electric utilities to make an effort to explain the facts concerning advanced meters when a customer requests traditional meter service. Customers should be fully informed before they select the advanced meter opt-out service. The proposed rule Ohio Adm. Code 4901:1-0-05(I)(2) should be amended to include the following language:

THE ELECTRIC UTILITY SHALL EXPLAIN THE FACTS CONCERNING ADVANCED METERS AND ATTEMPT TO ADDRESS ANY CUSTOMER CONCERNS PRIOR TO SIGNING UP A CUSTOMER FOR TRADITIONAL METER SERVICE. TO THE EXTENT THAT THE ELECTRIC UTILITY OFFERS MULTIPLE OPTIONS FOR THE CUSTOMER TO OBTAIN OR RETAIN A TRADITIONAL METER, THE UTILITY SHALL EXPLAIN EACH OPTION AND THE ASSOCIATED COSTS AND GIVE THE CUSTOMER CHOICE OVER THE METER SELECTION.

2. Ohio Adm. Code 4901:1-10-05(I)(2)(a)

The PUCO Staff proposed a new rule in Ohio Adm. Code 4901:1-10-05(I)(2) that requires the electric utility to disclose to customers that the costs associated with the installation and reading of a traditional meter (plus other applicable fees and costs) must be paid by the customer. However, the installation of a traditional meter may not be

necessary if the communication capabilities of the installed advanced meter are being disabled.¹⁰ Depending upon the technology used, the electric utility might be able to disable the communications device remotely and incur no additional installation costs.

Additionally, the proposed rule indicates that customers may have to pay other fees and costs associated with the traditional meter as assessed by the electric utility. The costs for installation of the traditional meter and the on-going manual meter reading and billing costs must be included in the tariff that is required pursuant to the proposed rule Ohio Adm. Code 4901:1-10-05(I)(4). However, it is unclear what other fees and costs the electric utility might assess. OCC recommends the following change in the proposed rule Ohio Adm. Code 4901:1-10-05(I)(2)(a) to explicitly require that all fees and costs be addressed within the approved tariff.

The customer will be required to pay the costs associated with the ~~installation of the~~ traditional meter, the on-going costs associated with the manual reading of the traditional meter, and other TARIFF-APPROVED fees and costs that may be assessed by the electric utility associated with the traditional meter.

3. Ohio Adm. Code 4901:1-10-05(I)(4)(b)(ii)

The PUCO Staff proposed a new rule that outlines the methodology that an electric utility may use in establishing fees for customers who choose not to have an advanced meter. The PUCO Staff proposes that the fees shall be calculated based upon the additional costs incurred to provide opt-out service. However, the fees should also be based on any avoided costs (to the extent practical) that are obtained by the utilities as a result of not providing an advanced meter. For example, the utility may be able to avoid

¹⁰ Central Maine Power offers these options to customers as was presented in a webinar sponsored by the Utilities Telecom Council titled, Smart Meter Opt-out – The Policies and Impacts on September 27, 2012.

the purchase costs for an advanced meter if the customer is going to continue using the existing meter.

Accordingly, the rule should be modified as follows:

An electric utility may establish certain fees for electing not to use an advanced meter. Such fees shall be calculated based upon the additional costs incurred to provide opt-out service OFF-SET BY ANY AVOIDED COSTS as allowed by this rule.

4. Ohio Adm. Code 4901:1-10-05(I)(4)(c)

The PUCO Staff proposed a new rule in Ohio Adm. Code 4901:1-10-05(I)(4)(c) that enables the electric utility to recover the one-time fee associated with removing an advanced meter and installing a traditional meter. As explained earlier, there may be no need to remove an advanced meter if the communications device (on an advanced meter) can be disabled to provide traditional meter service. This may be the most cost effective method for the customer to obtain traditional meter service without incurring the costs of removing one meter and installing another. As discussed previously, electric utilities should be required to disclose the different options and associated costs that are available to the customer to obtain traditional meter service.

Therefore, the PUCO should adopt the following amendment to the PUCO Staff's proposed rule, Ohio Adm. Code 4901:1-10-05(I)(4)(c)

An electric utility may establish a one-time fee to recover the costs of ADAPTING an existing advanced meter OR REMOVAL OF SUCH METER and the installation of a traditional meter.

5. Ohio Adm. Code 4901:1-10-05(I)(4)(d)

The PUCO Staff proposed a new rule in Ohio Adm. Code 4901:1-10-05(I)(4)(d) that enables the electric utility to establish a recurring fee to charge to customers for meter reading and billing services for traditional meter service. However, the proposed rule does not provide the customer an option to have an estimated read in lieu of an actual read on some occasions.

Furthermore, the term “billing service” is vague and could be interpreted to be a separate cost from the meter reading costs. Regardless if a customer has an advanced meter or a traditional meter, the utility will be performing billing for the service. The costs associated with processing meter usage data into the billing system would presumably be included within the recurring meter reading costs.

To address these concerns, OCC recommends that the PUCO adopt the following amendments to proposed rule Ohio Adm. Code 4901:1-10-05(I)(4)(d):

An electric utility may establish a recurring fee to recover costs associated with providing meter reading ~~and billing services~~ associated with the use of a traditional meter. THE CUSTOMER SHALL HAVE THE OPTION OF CHOOSING AN ACTUAL METER READ ONCE A MONTH OR QUARTERLY.

IV. CONCLUSION

OCC appreciates the opportunity to provide these supplemental comments regarding the PUCO Staff’s proposed program for allowing electric customers to opt-out of having an advanced meter. The PUCO’s adoption of OCC’s recommendations in OCC’s comments, reply comments, and these supplemental comments will help to: 1) ensure more reliable electric service being provided to residential consumers; 2) ensure that necessary consumer protections are defined to protect customer privacy as more

advanced metering data becomes available; 3) protect residential customers from unreasonable charges; and 4) ensure that net metering is implemented in a fair and reasonable manner across Ohio.

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CERTIFICATE OF SERVICE

I hereby certify that I served a true copy of the foregoing Supplemental Comments upon the following via electric transmission, this 6th day of August 2013.

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