

**ORDER NO. 85908**

IN THE MATTER OF BALTIMORE GAS AND ELECTRIC COMPANY FOR AUTHORIZATION TO DEPLOY A SMART GRID INITIATIVE AND TO ESTABLISH A SURCHARGE MECHANISM FOR THE RECOVERY OF COST	* * * * * * *	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND <hr style="width: 100%;"/> CASE NO. 9208 <hr style="width: 100%;"/>
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**Issue Date: October 17, 2013**

On September 16, 2013, Baltimore Gas & Electric Company (“BGE”) requested that the Maryland Public Service Commission (the “Commission”) approve its request to treat BGE customers who fail to provide access to their legacy meters as having opted out of receiving a smart meter.<sup>1</sup> In its filing, BGE sets forth an eight-stage process (over a 60-day period) by which it attempts to obtain access to those customers with indoor or otherwise inaccessible meters. These efforts include:

- 1) A postcard requesting that the customer contact BGE to schedule a visit;
- 2) Three letters to the customer, stressing the importance of contacting BG to schedule an appointment;
- 3) Three phone calls – once during the week, once in the evening and once on a Saturday – again requesting that the customer contact BGE to schedule an appointment; and
- 4) A field visit/door hanger stating that an attempt was made to upgrade the meter and explaining why the upgrade could not be accomplished. The door hanger also requests that the customer contact BGE to schedule an appointment.

At the time of the September 16 filing, BGE estimated that 115,000 customers were in some stage of the eight-step process, representing over 40% of the indoor and

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<sup>1</sup> BGE made a similar request at the August 6, 2013 hearing. Tr. at 179.

inaccessible accounts attempted thus far. BGE further estimated that another 470,000 inaccessible accounts exist in the un-deployed areas of its service territory. In lieu of terminating their service pursuant to a provision in BGE's tariff and COMAR 20.31.02.02C, BGE proposes to designate the non-responsive customers to these eight attempts as "opt-out" customers..

On September 30, 2013, the Maryland Energy Administration ("MEA") responded to BGE's request, asking us to deny BGE's request and instead implement the plan outlined by the Smart Meter Working Group. That plan would require BGE to send three informational notices to BGE's non-responsive customers, informing them of BGE's right to terminate service by a given date unless they actively opt out of a new meter or schedule an appointment to replace their existing meter. MEA believes this would provide a greater incentive to elicit customers' responses than would assessing opt-out costs on customers' bills, and also would result in fewer customers ultimately opting out of a smart meter.

On October 1, 2013, the Office of People's Counsel ("OPC") also responded to BGE's request. OPC stated that the Smart Meter Working Group had not reached a consensus on how BGE should address the problem of non-responsive customers, but did agree that BGE should not be permitted to issue thousands of termination notices to Baltimore City residents, potentially during the coldest months of the year. OPC requested a separate hearing on this limited issue.

While we sympathize with BGE's current situation, we deny their request to default non-responsive customers into an "opt-out" status. As MEA points out, this will potentially raise the number of customers who opt out of a smart meter unnecessarily.

We also deny the alternative proposal to terminate service to non-responsive customers at this time. Many BGE customers who are non-responsive may wish to opt out, or are waiting to know the costs of opting out before making their final decision. We will not encourage the issuance of thousands of termination notices during the colder months of the year.

We instead order BGE to significantly increase its efforts to contact non-responsive customers for a period of six months, including additional evening and weekend outreach. BGE is encouraged to work with third party organizations and local government agencies with experience in communicating with residents in those City and County neighborhoods with significant numbers of non-responsive customers. In six months, BGE will report back to the Commission regarding its progress to that point. We will then consider the appropriate course of action.

**IT IS THEREFORE**, this 17<sup>th</sup> day of October, in the year Two Thousand and Thirteen, by the Public Service Commission of Maryland,

**ORDERED:** (1) That BGE's request to treat non-responsive customers as having opted out of a smart meter is denied;

(2) That BGE shall not terminate any non-responsive customers for failing to allow the installation of a smart meter at this time; and

(3) That BGE shall increase its efforts to contact non-responsive customers as described above and shall report back to the Commission in six months regarding its progress in obtaining access to its customers' meters.

/s/ W. Kevin Hughes

/s/ Harold D. Williams

/s/ Lawrence Brenner

/s/ Kelly Speakes-Backman

/s/ Anne E. Hoskins

Commissioners