

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET N.W., 2ND FLOOR, WEST TOWER
WASHINGTON, D.C. 20005**

ORDER

September 7, 2012

FORMAL CASE NO. 1056, IN THE MATTER OF THE APPLICATION OF POTOMAC ELECTRIC POWER COMPANY FOR AUTHORIZATION TO ESTABLISH A DEMAND SIDE MANAGEMENT SURCHARGE AND AN ADVANCED METERING INFRASTRUCTURE SURCHARGE AND TO ESTABLISH A DSM COLLABORATIVE AND AN AMI ADVISORY GROUP, Order No. 16892

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) announces it will study the health, safety and privacy aspects of the “smart” meters installed by the Potomac Electric Power Company (“Pepco”) as part of its Advanced Metering Infrastructure (“AMI”) activities. In addition, the Commission will inquire into the feasibility of allowing District consumers to choose not to participate in the AMI program

II. BACKGROUND

2. On February 16, 2012, the Commission denied a request by the Office of the People’s Counsel (“OPC”) for a formal investigation to determine whether it is reasonable for Pepco to offer an opt-out provision to its AMI program.¹ We determined that the Council of the District of Columbia (“Council”), in enacting the Advanced Metering and Infrastructure and Cost Recovery Act of 2009 (the “ACT”), authorized Pepco to implement an AMI program for all consumers. Because the Council did not provide for an opt-out provision, an investigation would be inappropriate.

3. Nevertheless, in our reconsideration of that decision, we stated our view that, although customers cannot opt out of smart meter implementation, Pepco is not free to install meters that pose a hazard to the health and safety of the public.² We found that there is no

¹ *Formal Case No. 1056, In the Matter of the Application of the Potomac Electric Power Company for Authorization to Establish a Demand Side Management Surcharge and an Advance Metering Infrastructure Surcharge and to Establish a DSM Collaborative and an AMI Advisory Group, Order No. 16708, February 16, 2012.*

compelling evidence that meters pose a threat to the public, but that we would continue to monitor available data and take appropriate action if warranted.³

4. On August 9, 2012, the Commission received a letter from Chairperson Yvette Alexander and other members of the Committee on Public Services and Consumer Affairs of the Council of the District of Columbia requesting that the Commission open an investigation, to be conducted by an independent entity, for the purposes of (1) exploring the questions raised by the public; and (2) researching the feasibility of Pepco providing an opt-out provision. Attached to the August 9 letter was a series of questions relating to health, safety and privacy aspects of the smart meter program.

III. DISCUSSION

5. We have been monitoring developments in this area and we agree with the members of the Committee on Public Services and Consumer Affairs that further exploration of smart meter issues is appropriate. Therefore, as the Committee members have requested, we will commission a study into the health, safety and privacy concerns of smart meters and the feasibility of an opt-out provision. We will keep the Council of the District of Columbia informed of our progress, recommend legislative action if appropriate, and take other actions as needed.

THEREFORE, IT IS ORDERED THAT:

6. A study into issues raised by smart meters will be conducted in Formal Case No. 1056.

A TRUE COPY:

CHIEF CLERK:

BY DIRECTION OF THE COMMISSION:


BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY

² F.C. No. 1056, Order No. 16761, April 13, 2012 at n. 13.

³ *Id.*