

MEMO TO: Members of the Commission on Electric Utility Regulation

FROM: Irene E. Leech, President of the Virginia Citizens Consumer Council

DATE: December 14, 2009

RE: Smart Meters – Prepaid Meters

I only learned of today's meeting this morning and I cannot attend it. However, I anticipate that you will consider an issue of extreme importance to consumers – smart meters. Currently, Dominion has a pilot program and the electric cooperatives have a proposal for using these meters. From the consumer perspective, there are many concerns and unanswered questions concerning the various forms smart meters take.

At this point, it appears that there are serious questions concerning whether these meters are cost effective for consumers. Although they can be used for many purposes, the most typical is as prepayment meters. Data from Britain indicates that traditional credit meters are significantly less expensive and have significantly longer life expectancies than prepayment meters. We ask that you require proof of the total costs to consumers over the life of the meters, including any costs for existing meters that are taken out of service early and that you assure that the meters offer reasonable costs to consumers. Also consider the total impact on consumers when utility usage is changed from a credit to a prepaid service.

Further, there are serious health and safety issues with the use of prepaid meters. They tend to result in more frequent “self” disconnections and people using them are more likely to have no power than others. The elderly and infirm often have problems understanding how to use them properly and are at the greatest risk when they have no power. Last winter an elderly man died after running out of money on his prepaid meter, although he had the money to pay for it.

Although proponents of prepaid meters indicate that consumer use of these meters will be “voluntary” the choice many not truly be “voluntary” for individuals with challenging financial situations. Someone who has lost their job or is ill may not have the money for a large deposit and may not be able to even consider that option. Prepayment meters are most often used by low income individuals, the ones who can least afford this most expensive form of paying for electricity.

There are other issues related to consumer privacy, ownership and sharing of data concerning consumer use of energy, etc. that need to be resolved. In these challenging economic times it is vital that consumers be equipped with appropriate tools to make the best decisions for their situation. Please collect real data and information from both supporters and those concerned about new technology before approving its use. If you would like to discuss this issue with me, my cell is 540-230-5373 and my email is ilee@vt.edu.

Thank you.