

PAULA M. CARMODY
PEOPLE'S COUNSEL

THERESA V. CZARSKI
DEPUTY PEOPLE'S COUNSEL

STATE OF MARYLAND



ASSISTANT PEOPLE'S COUNSEL
CYNTHIA GREEN-WARREN
WILLIAM F. FIELDS
PETER SAAR
GARY L. ALEXANDER
ANNE JOHNSON
RON HERZFELD
FRANCIS D. HARTNETT
RICHARD S. GRATZ

OFFICE OF PEOPLE'S COUNSEL

6 Saint Paul Street, Suite 2102
Baltimore, Maryland 21202
(410) 767-8150 (800) 207-4055
FAX (410) 333-3616
WWW.OPC.STATE.MD.US

FOR IMMEDIATE RELEASE

CONTACT:

Paula Carmody
People's Counsel
Office of People's Counsel
410-767-8150
paulac@opc.state.md.us

RESIDENTIAL CUSTOMERS WIN: BGE \$835 MILLION SMART GRID PROPOSAL REJECTED AS TOO RISKY

(Baltimore, MD – June 22, 2010) The Maryland Public Service Commission has issued an order rejecting BGE's proposal to implement Smart Grid for all its customers. The Commission, swayed by the evidence presented by the People's Counsel and other consumer groups such as AARP, denied BGE's request to replace all current electric and gas meters with "advanced meters" (AMI) and get risk-free cost recovery from consumers. The PSC was not persuaded that the minimum \$835 million price tag was worth the financial and technological risk to consumers. Also recognizing the fundamental changes in consumer knowledge and behavior required by BGE's pricing scheme proposal, the PSC rejected the Company's request to implement mandatory time-of-use rates for all residential customers.

People's Counsel Paula M. Carmody expressed satisfaction with the PSC order. Ms Carmody stated, "This order is in the best interests of our residential customers. It is obvious that the PSC very carefully considered the evidence we presented showing that BGE's smart grid proposal would not only be very costly to consumers, without clear financial benefits, but would also open consumers up to privacy and security risks that only now are being identified and discussed at the federal level. We need to keep in mind that it is BGE's smart meter proposal, not the idea of a smart grid, that is the subject of the PSC order. BGE's plan was ill-considered from the start and this order protects consumers who had the most at risk if this proposal had been approved."

While this particular proposal was rejected, BGE residential customers continue to have available a suite of energy and money savings opportunities. The Commission has previously approved BGE's Peak Rewards Program which provides monthly credits to customers who allow the Company to cycle their air conditioning at the hottest "peak" times. Additionally, there are a number of cost-effective energy efficiency measures available to customers, including appliance rebates and home energy audits. Customers can take advantage of these savings opportunities by contacting BGE directly.

The Maryland Office of the People's Counsel is an independent state agency which represents residential consumers of regulated utility services including electric, gas, telecommunications, and water services, before the Maryland Public Service Commission, other state and federal agencies and the Courts.