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June 26, 2016

Honorable Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Agency Building 3, Empire State Plaza
Albany, New York 12223-1350

CASE 14-M-0196 - Tariff filing by Central Hudson Gas & Electric Corporation to establish fees for residential customers who choose to opt out of using Automated Meter Reading devices.

This letter is in response to comments submitted by Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (the "Companies") concerning the Resolution of the Town of Woodstock and Petition in Support of the Resolution (the "Petition").¹

The Companies' letter was intended to provide the Commission insights from its perspective with respect to the important issues raised in the Petition. The Woodstock Town Board and certain Woodstock residents ("Petitioners") request that the Commission allow customers to opt-out of receiving metering services via automated metering technologies and be provided manual analog meter reading service at no charge.

Woodstock is not within the service territories of the Companies, and some of the insights submitted to the Commission are not applicable to Woodstock. The purpose of this response is to identify and clarify the Companies' comments as they apply to Woodstock.

AMI Advanced Metering Infrastructure

The Companies assert that, "the Commission . . . [has] recognized the benefits of enhancing New York's metering infrastructure and adopting advanced technologies in the State," and that, "advanced

¹ Case 14-M-0196, Comments of Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (the "Companies"), Filed June 23, 2016
<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={C7A130F3-398F-4534-A7A8-5FDF52E6E7CF}>

smart metering has many customer benefits.”² This may be true for the Companies, but Central Hudson Gas & Electric, Woodstock’s incumbent electric utility, has not embraced AMI. Instead, Central Hudson is deploying AMR meters using ERT technology.³

In May 2013, Woodstock residents advised the Town Board that Central Hudson was installing smart meters in Woodstock and that these meters were making people sick. Upon investigation, it was learned Central Hudson had installed a limited number of GE I-210 meters with an integrated Itron 52ESS ERT communications module and Itron C1SR ERT meters. Manufacturers' documents indicate these meters are equipped with Itron Encoder Receiver Transmitter (ERT) communication modules that constantly broadcast meter readings that allow meter readers equipped with a special computer and radio receiver to receive each meter's consumption data through a simplified digital radio protocol. According to Central Hudson, the cost of meter readings is substantially reduced using ERT technology, and ERT meters do not support 2-way communications or the demand management functions normally associated with smart meters.

The Companies assert, “The Companies’ upcoming Advanced Metering Infrastructure (AMI) investments will also improve outage management and storm restoration, among other services. AMI will also advance the Commissions Reforming the Energy Vision (“REV”) efforts by providing customers with more detailed information to help them make informed decisions about products and services and better manage their energy usage.” This may be true for the Companies’ service territories, but since Central Hudson has not embraced AMI investments, this statement does not apply to Woodstock.

AMI, AMR Comparison

The Companies assert that advanced smart metering (AMI) has many customer benefits, including that it improves bill accuracy, reduces estimated bills, enhances the overall customer experience by physically removing the need to routinely access meters on customer premises and reduces overall utility costs. Not all these benefits apply to AMR environments. The following paragraphs revise and reinterpret the AMI benefits identified by the Companies for an AMR environment.

² Advanced metering infrastructure (AMI) is an integrated system of smart meters, communications networks, and data management systems that enables two-way communication between utilities and customers. Customer systems include in-home displays, home area networks, energy management systems, and other customer-side-of-the-meter equipment that enable smart grid functions in residential, commercial, and industrial facilities. https://www.smartgrid.gov/recovery_act/deployment_status/sdgp_ami_systems.html

³ The terms non-ERT meter and non-AMR meter, and ERT meter and AMR meter are synonymous. Petitioner refers to ERT and Central Hudson's tariffs refer to AMR.

Improves Bill Accuracy

Both AMI and AMR will improve bill accuracy by replacing manual meter reading with digital readouts. A recent experience in Woodstock illustrates this benefit. Recently, a meter reader in Woodstock incorrectly recorded readings from analog meters resulting in substantial increases in utility bills and many customer complaints. Although the error will be corrected by the next meter reading, this example demonstrates that ERT meters can improve accuracy and reduce errors.

Reduces Estimated Bills

Central Hudson announced it will be billing monthly rather than bi-monthly, and that the additional monthly bills will be estimated. Since Central Hudson is launching a program that vastly increases estimated billing, reducing estimated bills cannot be considered an AMR benefit.

Physically Removes the need to Routinely Access Meters on Customer Premises

AMI with its cellular or mesh communications protocols can continuously track electrical usage and report consumption without the need for a meter reader, but this is not true for AMR. AMR meters require a meter reader to visit the customer's premises to collect meter readings. Because AMR meters can be read at a short distance, AMR can reduce the intrusiveness of meter reading, but AMR does not eliminate the necessity of routinely accessing the customer's premises.

Improve Outage Management and Storm Restoration

Distribution automation (using automated feeder switching and fault location, isolation, and service restoration) and advance metering infrastructure (AMI) are two successful strategies for improving utility responses to outages following major storms.⁴ Because Central Hudson has adopted AMR technology, this benefit is not available to its customers.

Advances Reforming the Energy Vision ("REV")

REV intends to provide customers with more detailed information to help them make informed decisions about products and services and better manage their energy usage through the use of smart metering and AMI. The AMR meters installed by Central Hudson have no capability to collect the usage data required that would allow customer management of energy usage.

⁴ *Smart Grid Investments Improve Grid reliability, Resilience and Storm Responses*, American Recovery and Reinvestment Act of 2009, <http://energy.gov/sites/prod/files/2014/12/f19/SG-ImprovesRestoration-Nov2014.pdf>

AMI Opt-Out

The Companies are investing in advanced metering infrastructure (AMI), but are aware that certain customers may prefer to opt-out. “The Companies currently allow customers to opt-out of being metered using existing Automated Meter Reading (“AMR”) meters, and will continue to offer this option as AMI is implemented.” The Commissioners should extend to Central Hudson customers the privilege of opting-out by using existing analog meters. Central Hudson offers digital, non-AMR meters as its opt-out option, but does not allow customer to retain their existing analog meter. If the Companies’ customers are able to opt-out of AMI by retaining their existing meters, then Central Hudson customers should be able to opt-out of AMR by retaining their existing analog meters.

Opt-Out with No Additional Charge

Woodstock Town Board resolutions 126-2015⁵ and 127-2015⁶ (the “Smart Meter Resolutions”) each request the Commissioners “to order Central Hudson to allow Utility Consumers participating in the opt-out program to retain their installed Electro Mechanical Analog Meters. The Utility Consumer will not be subject to the one-time meter change fee and will not be subject to the monthly non-AMR service fee.”

The Companies reject the no-charge petition because, “it contravenes longstanding Commission precedent to allocate costs for specialized utility services to those customers requesting such services.” . . . “Customers who request a special meter and ongoing in-person meter reading . . . should be responsible for the additional costs associated with providing this service. As such, a meter change fee and a recurring meter reading fee are appropriate mechanisms to recover these costs and should be retained. This is consistent with the Commission's recent Orders approving opt-out provisions in all of the utilities' service territories and there is no justification to warrant a reconsideration of this sound policy.”

Ms. Jane Valand of Lake Hill, NY, the petitioner I am representing, agrees with the Companies that meter reading fees are appropriate. Ms. Valand wishes to retain her analog meter, but was told by Central Hudson that it would be replaced with an AMR ERT meter, or at her option, a digital, non-ERT meter. Ms. Valand approached the Department of Public Service and was informed the proper way to

⁵ Case 14-M-0196, Town of Woodstock Resolution 126-2015, Filed Date, July 10, 2015, <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={AE5D0E04-A618-4DB1-B81A-F1E2AD05D5C8}>

⁶ Case 14-M-0196, Town of Woodstock Resolution 127-2015, Filed Date, July 14, 2015, <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={2DEA8437-7D18-4107-B6F5-C4EE95EAA075}>

bring this question before the Commission was to file a petition. On May 29, 2015, Ms. Valand filed a petition with over 50 signatures requesting the Commission order Central Hudson to allow customers to retain their analog meters.⁷ The petition does not request analog meter opt-out without charge. The fees charged by other utilities to retain an analog meter are considered reasonable and appropriate.⁸

We the undersigned Central Hudson customers are seeking to retain analog electric meters or have analog electric meters restored under the provisions of the AMR meter opt-out tariff, 12.2.

We petition the Public Service Commission to amend NYSPSC Order (Case 14-M-0196) which ordered Central Hudson to provide an AMR meter opt-out and tariff to include analog electric meters. Specifically, we request NYSPSC to amend the AMR opt-out tariff 12.2 by:

1. Ordering Central Hudson to allow customers participating in the opt-out program to retain their installed analog Meters;
2. Ordering Central Hudson to offer analog meters as a replacement for installed ERT meters (AMR meter).

I notified the Woodstock Town Board that these comments support the Companies' assertion that providing specialized and unique customer services without appropriate fees is unreasonable, and that the Town Board should file its own comments in support of no fees.

I respectfully submit this letter for the Commission's consideration along with the comments submitted by Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. (the "Companies").

Very Truly Yours



Kenneth S. Panza

CC:

Woodstock Town Board
NY State Senator George Amedore
NY State Assemblyman Kevin Cahill

⁷ Case 14-M-0196, Petition of Jane Valand and Others to Amend AMR opt-out Tariff 12.2, Filed May 29, 2015, <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={388BE30A-EDF5-4DF7-A524-7B775C394CDE}>

⁸ Case 14-M-0196, Comments of Kenneth S. Panza, Filed April 18, 2016, Page 4 <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={73E07B39-2979-423E-B513-4BD66336EBE0}>