

Good Afternoon Representative Southworth

HED, and all municipal electric utilities except Hyde Park and BED (who already has AMI), is currently in the process of installing smart meters for customers. We anticipate completing work on this initiative around the end of the year.

This initiative was enabled by a federal grant, passed thru the DPS. That grant actually has quite similar requirements to the bill you sent along. We have to let people know they can opt out, we can't penalize them for opting out financially, etc... So, in some respect, this bill is simply codifying something that is already in place. One could argue, "why do we need a bill then" or one could argue, "well then there is nothing to worry about here.". My bias historically (mine alone not HED's) has always been if the issue is already covered why pass a law. That said, again, in this case in its current form it does not appear it would create a burden on electric.

Importantly, we will be replacing all meters during this initiative (whether installing a smart meter or a newly tested (and thus accurate) old fashioned meter. So "opting out" is only from the smart meter, not the ability to change and or test a meter. We will also be requiring clear, written documentation on the request for opt out to avoid future conflict. I don't see anything in the draft that would preclude such things.

Of interest, perhaps, is that of the muni members who started installations before HED, they are finding a very low rate of "opt outs" (almost none to say 1% or so). This is quite different from 2009 when GMP, VEC and BED put in smart meters. It was more like 7 – 8% I understand back then. That said, over time as customers realized the benefits of the meters, those early utilities who went smart meters, found customers joining back in. I think they all the <1% now, as I understand it.

The other thing we are doing currently (or will be very soon at HED) is getting out a lot of information to customers as they make their choice. This will include a frequently asked questions section that addresses the common items that come up 1) will you know what tv stations I'm watching, will you know what appliances I have and am using or what I'm using electricity for, 3) won't the radio frequency kill me or give me cancer, etc... By the way, No, No (not without lots of additional tools and customer consent to help them solve a high bill) and No.

The other issue for opt outs is the big brother concern – a real issue for some. In my mind, this is what the opt out is really provided for and thus justified. Some with stay the course with that no matter what. Over time, as smart meters then enable customer control over energy cost (battery program, DERMS, better efficiency customization, dashboard for customer to view and use their own data, etc) most rejoin and want the meter. We'll see how it plays out in the Hardwick area.

As David noted, he'll give you the water side for Hardwick. I'll just note that where water and electric are combined in a department at the muni's, most are installing remote technology to read meters as part of this electric smart meter initiative. In that case it is a small device, wired into the water meter, that allows the water meter to be read and repeated back to the office from afar. In the Hardwick area Orleans, Johnson and Morrisville are all doing this currently too. We are all applying the same rules as the grant dictates for electric to our work on water. So, these are not technically "smart meters" or AMI. Rather remote devices (very small) that will speak to the same communications devices as the electric meters to send the meter reads back to the office. Just thought I'd let you know about that since at least 5 or 6 of the muni's are installing these water devices currently. In Morrisville's case we've had a much earlier version of this technology for over a decade (but could read as we drove down the street, rather than from the office). We've had no issues with the technology or concerns from customers in that time.

Hope this all help!

Scott