Audit: Calif. 'smart meters' mostly accurate
By ROBIN HINDERY, Associated Press Writer
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(09-02) 16:01 PDT San Francisco, Calif. (AP) --

An electronic meter-reading system operated by California's largest utility is highly accurate, despite thousands of customer complaints, according to an independent analysis released Thursday.

The three-year-old Pacific Gas & Electric Co. system uses electronic data, rather than meter readers, to determine the monthly gas and electric use of customers.

Several California utilities are trying out the devices, but PG&E's $2 billion initiative is by far the largest in the state with the most smart meters in the country.

The company has installed the meters in 5.5 million households, mostly in the Central Valley and San Francisco Bay area, and it plans to expand the program in 2012 to about 9.8 million of its 15 million total customers.

The five-month study was released at a meeting of the California Public Utilities Commission, which ordered the review after receiving a flood of reports last year about skyrocketing electricity costs and bill estimates that were higher than what customers actually owed.

However, the analysis by The Structure Group of Houston found smart meters were accurately gauging electricity use.

It said poor customer service by PG&E contributed to widespread customer dissatisfaction. In addition, meter installation in certain areas last year coincided with a heat wave and rate increases, resulting in increased energy use and higher-than-average bills, the review stated.

PG&E said it was pleased with the findings about accuracy.

"We also agree with its criticism of our failure to address customer concerns on a timely basis, and have taken steps to address that real shortfall in our program," said Helen Burt, PG&E senior vice president and chief customer officer.

Smart meters record residential electric usage hourly and gas usage daily. The data is periodically transmitted to PG&E via a secure wireless communication network.

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Despite the study, many skeptics remained unsatisfied with the devices.

"So far what is missing from the report is any sense that this was a true 'investigation' as opposed to a review of PG&E's smart meters," said state Sen. Dean Florez, D-Shafter.

The lawmaker plans to convene a legislative hearing to address possible flaws in the system.

Michael Peevey, president of the utilities commission, hoped the report released Thursday would ease customer concerns.

"Smart meters are becoming a reality, and California is a leader and an example nationally," he said.

Moving forward, the commission said it would work to ensure PG&E improves customer service, and commission staff members handle complaints more effectively.

As of Aug. 15, the commission had received 4,500 complaints and inquiries from PG&E smart-meter customers, according to Julie Fitch, director of the commission's energy division.

By comparison, Southern California Edison had received 169 complaints, she said.

Commission member Nancy Ryan said the focus must be "customer engagement, education and trust."

"This report should serve as a wake-up call to this commission and the industry," Ryan said. "It's very clear PG&E has a steep mountain to climb, and they now have the road map to get them to the top of that mountain."

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