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## Customers say new PG&E meters not always smart

David R. Baker, Chronicle Staff Writer  
Sunday, October 18, 2009

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Kelly Shaughnessy had never paid more than \$230 for electricity at her Bakersfield home last year. Then she got a SmartMeter.

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Designed to track electricity and gas use with precision, SmartMeters relay their data to the utility via wireless, without the need of a meter reader.

After Pacific Gas and Electric Co. installed one of the devices at her house this past spring, Shaughnessy's monthly bills started to climb. In August, her bill hit \$458. Throttling back the air conditioning didn't help.

"I kept the AC at 85 degrees, to the point I had sweat running down my nose while I was inside my house," said Shaughnessy, 44, who teaches junior high school. "Bottom line is, my bills went through the roof."

Across Bakersfield, other PG&E customers experienced the same shock. And like Shaughnessy, they started questioning the SmartMeters' accuracy.

PG&E now faces a revolt in Bakersfield over the SmartMeters, which the company has been installing throughout its territory since late 2006. Angry homeowners repeatedly booed PG&E representatives during a public hearing on the meters earlier this month. State Senate Majority Leader Dean Florez has demanded a moratorium on their installation. State energy regulators last week agreed to investigate the meters' accuracy, although they stopped short of agreeing to a moratorium.

"People think these meters are fraud meters," said Florez, D-Shafter (Kern County).

"They feel they're being defrauded. They're getting no benefit from these things."

The issue is larger than Bakersfield, or even California.

Many energy experts consider installing the meters an essential first step in building a "smart grid," an electrical transmission system that is more flexible and reliable than the one we have today. Meters that let homeowners monitor their electricity use hour by hour could be a key tool for cutting energy consumption and fighting global warming.

"For this state and this nation to go where we want to go, we need smart meters," said Michael Peevey, president of the California Public Utilities Commission. The commission, which approved the meters' installation, said Wednesday that it would require independent testing of the devices. PG&E representatives say they will work with the commission on the tests.

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## Weather and rates

PG&E executives say the meters aren't to blame for the problems in Bakersfield. The weather is. So are recent increases in electricity rates.

A rate increase last October and another in March substantially raised the price of electricity for those who use large amounts. For some customers - those using the most juice - the rate increased a total of 22 percent. Few people noticed in the spring. But when unusually hot weather hit Bakersfield this summer, bills jumped.

"It's primarily a heat and rate issue," said Felecia Lokey, PG&E senior director of customer engagement. The utility will inspect a meter at the customer's request, but so far, the company hasn't found any malfunctioning meters, she said.

"Not to my knowledge, of all the investigations we've done," Lokey said.

PG&E, based in San Francisco, has installed 3.7 million SmartMeters to date - 1.7 million to measure electricity use and 2 million for gas. The total will rise 10 million by the time the \$2.2 billion program wraps up in 2012.

Installation started in the Central Valley. Some parts of the Bay Area - including Concord, Hayward and stretches of the Peninsula - have already received them. San Francisco and Oakland will be among the last cities to get the meters.

The SmartMeters being installed now aren't the ones that PG&E started with. Earlier this year, the utility switched to a second generation of meters. Some Bakersfield customers received the first-generation meter only to have PG&E replace it later on with the second-generation model.

The current meters are made by General Electric, Landis+Gyr and Silver Spring Networks. The manufacturers are required to test all of them before delivery to PG&E, said William Devereaux, the utility's senior director for the SmartMeter program. PG&E also has inspected 1,700 meters in the field this year, he said.

Some customers say PG&E's explanation that rate increases and heat caused the high bills makes sense.

## Suspicious

Ron Hunter's electric bill reached \$1,363 in July. His suspicions about the meter grew in September, after a blackout hit his Bakersfield home. The Web page that allows SmartMeter users to see how much electricity they consume, hour by hour, showed that his electricity use actually rose during the blackout.

It took time to get an answer. But PG&E eventually told him that the Web page displays an estimate of each customer's typical use when it stops receiving data from the meter.

"I don't think they're cheating me," said Hunter, 56, a partner in an environmental consulting firm (that has not worked for PG&E). "I think the public utilities commissioners are the people who screwed us, the consumers, with these rate increases, and I think PG&E should have communicated those increases better. But I think I'm getting what I'm paying for."

Not everyone is convinced.

Liz Keogh has been keeping records of her home's electricity use since 1983. PG&E installed a first-generation smart meter at her house in September 2007, and the use it showed matched her expectations. Until this spring. Then the recorded use started rising, sometimes by dramatic amounts. For example, according to the meter, she used 37 percent more electricity in July than she had in July 2008.

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"It just seems to me that somehow, in my case, in the spring the meter started measuring more than I was actually using," said Keogh, 66, a former social worker for Kern County. "Right now, there is nothing on in my house, except the refrigerator. And that's the way it is most days. I wasn't doing anything different this year."

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One would think that the state would check the veracity of these things BEFORE they were allowed to be installed.

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