March 19, 2013

Mr. David J. Collins  
Executive Secretary  
Public Service Commission of Maryland  
William Donald Schaefer Tower  
6 St. Paul Street, 16th Floor  
Baltimore, MD  21202-6808

Re: Case No. 9207 – AMI Implementation;  
Potomac Electric Power Company Customer Education Plan – Phase II

Dear Mr. Collins:

Enclosed for filing are an original and seventeen (17) copies (five three-hole punched) of Potomac Electric Power Company’s (“Pepco”) Proposed Phase II Customer Education Plan of “Pepco’s Advanced Metering Infrastructure for Maryland”.

This document is being submitted on behalf of the Case No. 9207/9208 Working Group convened by the Commission to review and comment on Pepco’s Proposed Phase II Customer Education Plan (“Working Group”). The Working Group included representatives of Pepco; Baltimore Gas and Electric Company; Staff of the Public Service Commission of Maryland; Office of the People’s Counsel of Maryland; Maryland Energy Administration; Montgomery County Office of Consumer Protection; Department of Environmental Protection and AARP.

The Working Group has met and after extensive review, discussion and consideration of the Pepco Proposed Phase II Customer Education Plan, the working Group has reached a consensus on the substantive content of the enclosed document that is being submitted today for review and approval by the Commission.
Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

[Signature]
Douglas E. Micheel

DEM/pmh
Enclosure

cc: All Parties of Record
Customer Education Plan
Phase II – Maryland

Campaign 3: Smart Meter Benefits
Campaign 4: Peak Time Rebate (Peak Energy Savings Credit)

March 19, 2013
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I. Introduction

Potomac Electric Power Company (Pepco or the Company) serves about 533,000 customers in Maryland – 308,595 in Montgomery County and 224,004 in Prince George’s County. Of these, 484,958 are residential customers and 47,641 are business customers. The Company is currently installing advanced metering infrastructure (AMI) throughout its service territory.

As part of the Company’s business case, Pepco Maryland has committed to rolling out a multi-phased customer education program around smart meters and AMI. Phase I of this customer education plan focused on smart meter awareness and was designed to parallel the installation of smart meters. Phase II of this plan is broken into two parts: Campaign 3, which is designed to educate residential and small to mid-sized business customers on the projected near-term benefits of smart meters; and Campaign 4, which is focused on customer education around Peak Time Rebate (or as Pepco now calls it, “Peak Energy Savings Credit” or PESC).

While Campaign 3 and Campaign 4 are discussed separately in this plan, there is some overlap in terms of the timing and educational messaging. One difference between the two campaigns is that the Campaign 3 Smart Meter Benefits education continues year round, while Campaign 4 focuses on educating customers on the PESC program during the Spring/Summer months. Both campaigns provide information related to My Account, but in PESC, the focus is on learning about their baseline, their credit, and the energy use tools. Separate campaigns are used in order to provide more detailed information and targeted messaging to customer segments during the year. Additionally, Campaign 3 focuses on energy management tools and smart meter benefits that could be beneficial to customers throughout the year. PESC is a program designed to elicit specific response on certain days, during a defined time period during the year. None of the expenses for the two Campaigns are duplicated, and there are efficiencies gained from conducting the Campaigns during a similar timeframe.

Currently, Pepco Maryland is in the process of deploying smart meters. The Company is in the process of deploying smart meters in its Maryland service territory and anticipates that all meters will be activated and installed by Q3 2013. With that activation will come a number of new programs and benefits for customers. The Campaign 3 and Campaign 4 programs and benefits will be introduced to customers with educational messages and, where appropriate, a large scale mass communications program, beginning in Q2 2013. This timeline is detailed in section four “AMI Phase II Implementation” in this plan. As new communications materials are developed, draft materials will be circulated to the working group for comment.

As directed, Pepco Maryland is participating in the Smart Grid Implementation Working Group composed of Pepco, the Maryland Public Service Commission Staff, Maryland Office of the People’s Counsel, Maryland Energy Administration, AARP, Montgomery County Office of Consumer Protection and Department of Environmental Protection, and Baltimore Gas & Electric to develop the proposed Advanced Metering Infrastructure Phase II Customer Education Plan for Pepco’s Maryland service territory. The proposed plan is being submitted for review and approval by the Commission. Pepco Maryland will continue to participate in the Smart Grid Implementation Working Group as the plan is implemented and subsequent campaigns are developed and implemented. Materials are
submitted from Pepco Maryland to the Working Group for review. At that point, the Working Group has three business days over which it can comment on materials and provide feedback to Pepco Maryland.

About this Plan

Pepco is about to complete its installation and activation of smart meters in Maryland. As a result, Pepco Maryland would like to initiate a comprehensive customer education program to help articulate benefits of smart meters and AMI to customers.

This plan was developed after taking into consideration a number of key factors including:

- Primary customer research regarding smart meter awareness and proposed messaging
- Lessons learned from customer education programs in the Delmarva Power Delaware and Pepco D.C. service regions
- Lessons learned from a phase-in of PESC

By developing an integrated multi-channel approach to customer education for both AMI and PESC, a widely segmented customer base, including customers with special needs, will be reached. This plan is intended to encourage customers to participate in new programs and opportunities associated with the new smart meters that may reduce energy usage and their Pepco electricity bill.

The materials in the plan are in draft form and are in the process of being reviewed by the Working Group. Final versions will be developed after receiving the Working Group feedback.

Strategy for Development

Pepco and Delmarva Power have deployed smart meters and rolled out customer education programs in Delaware (Delmarva Power) and in the District of Columbia (Pepco) about the initial opportunities, such as the new web portal information, associated with the smart meters. This plan includes an important list of lessons learned during these two deployments, which served a critical role in shaping this plan.

The results of this research, as well as Pepco’s customer research in DC, Maryland, and Delaware, provide further support for the strategies and budgets proposed in this plan.

Research

Pepco Maryland has adopted a wide variety of research methods to account for customer experience during the installation phase for smart meters, as well as the PESC pilot conducted in the summer of 2012, including both quantitative and qualitative analysis. Pepco Maryland’s research program consists of:

- Awareness and tracking studies
- Focus groups
• An online customer panel
• A comprehensive segmentation study on Pepco Maryland customers

These research methods are used to both analyze customer understanding as well as their opinions, and evaluate the effectiveness of Pepco Maryland’s customer communications. This plan will elaborate on how research from Pepco Maryland AMI deployment and the 2012 phase in project for PESC were used in the strategic development of this plan.

Pepco plans to continue to assess customer awareness and understanding related to the campaigns discussed in the customer education plan. Survey plans and survey results will be shared with the Working Group.

Incorporating Lessons Learned

Pepco Maryland’s customer education plan benefits from the lessons learned in the deployment of smart meters and initial smart meter benefits in Delaware and the District of Columbia, and was shaped by the knowledge of which tactics were most and least effective during those campaigns. In addition, Pepco Maryland’s customer education team plays an active role in the U.S. Department of Energy Smart Grid Customer Engagement Working Group that brings utilities from across the country together to discuss best practices around smart grid customer engagement. Pepco Maryland is also incorporating this Working Group’s recommendations and best practices into its customer education plan.

II. Strategy for Development: AMI Phase II

The Maryland AMI Phase II customer education plan incorporates a multi-channel approach of stakeholder and customer communications. In the development of this plan, Pepco Maryland has incorporated a wide range of market research to help steer the strategies and shape the messaging in this plan. Although Campaign 3 and Campaign 4 are discussed separately, there will be some overlap in terms of the timing and educational messaging. Separate campaigns are used in order to provide more detailed information and targeted messaging to customer segments during the year.

Research for AMI Phase II

Pepco Maryland has conducted a wide range of research related to smart meters, including both qualitative and quantitative research, on topics such as educational material testing, advertising testing, awareness and tracking, and potential enhancements to My Account, Pepco’s online account management and energy analysis tool. These studies are actively used to shape the terminology, images, and strategies used to educate customers on an ongoing basis about smart meters in general and the web portal programs in particular. A list of research projects is included in Appendix I.

One of the primary sources of information on how Maryland customers perceive smart meters and the smart meter installation is the quarterly tracking study. This quarterly study provides
insight into awareness and favorability towards smart meters, and awareness of different benefits of smart meters. It is an opportunity to track lack of favorability and concerns regarding smart meters as well. Customer comments are monitored to identify concerns or issues that need to be addressed related to installation or as a reaction to recent media on issues related to smart meters. There are indications that the communications are having an impact:

- The tracking survey includes a question to gauge customer understanding of the term “smart meters” by indicating whether they have never heard of the term, have heard of the term only, have a basic understanding, or have a complete understanding. Compared to the baseline survey conducted in 2011, more customers in July 2012 indicated they have heard of smart meters in general. Fewer customers indicated they had never heard of smart meters (15%) compared to the baseline (23%). More customers indicated they have at least a basic understanding of smart meters, with one third (32%) of customers reporting a basic understanding, compared to 24% of customers in the baseline. The percentages of customers who have heard of smart meters (34%) and those with a complete understanding (14%) has not changed across waves. See Customer Familiarity with Smart Meter chart below.

- Customer awareness of benefits such as a reduced need for estimated bills (from 71% to 79%) and that smart meters can provide information to help customers save money (68% to 76%) has increased since the initial baseline survey in 2011.

- Overall awareness that Pepco Maryland is installing smart meters in their service territory is increasing, from 42% in the baseline, to 48% in the most recent survey. This total awareness number includes customers with smart meters and those without smart meters installed.

- Among the customers who have a smart meter installed, the majority (72%) say they recall receiving a letter from Pepco Maryland regarding the installation of a smart meter at their household. While all customers are sent a letter when their smart meter installation is imminent, some customers may not recall whether or not they received a letter, someone else in the household may have opened the letter, or customers may not have opened the letter.

The increases in these awareness percentages reinforce the usefulness of the tactics used to increase awareness of the smart meters. Pepco believes that continuing to increase customer awareness is important and would like to see awareness levels increase. Further customer education is needed to increase customers’ level of understanding of smart meters and the benefits.
Customer Preferences and Take Control Messaging

Ongoing research studies also relate to the communications preferences of customers. The top four preferred communications methods, according to the most recent tracking study, are email (40%), bill inserts (34%), direct mail (30%) and a message on the bill (23%). Customers are very interested in receiving email from their utility. Email has become a key component of the communications strategy and will continue to be used. One key capability with email is the ability to track open rates and clicks, to ensure that communications are effectively designed to hold customer interest.

The “Take Control” message continues to be viewed favorably by customers, and they like the idea of showing examples of the data they can find online. Customer preferences for an evolution from the image of the smart meter to a focus on My Account are being included in the advertising strategy.

Strong positive customer reactions to the “Bill to Date” feature on My Account, has resulted in the inclusion of this image in the draft creative for customer education materials. Customers indicated a preference for this image, and expressed interest in this feature, during ongoing qualitative research throughout the past year. This feature was evaluated by customers for usability and terminology prior to its implementation online. This feedback was gathered through a series of focus groups in fall 2011, spring 2012, and fall 2012, all of which included questions related to My Account and “Bill to Date”.

Source: Maryland Tracking Study

Customer Familiarity with Smart Meters

<table>
<thead>
<tr>
<th></th>
<th>Total Baseline</th>
<th>July 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't Know</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Not Heard Term</td>
<td>23%</td>
<td>15%</td>
</tr>
<tr>
<td>Heard Term Only</td>
<td>33%</td>
<td>34%</td>
</tr>
<tr>
<td>Basic Understanding</td>
<td>24%</td>
<td>32%</td>
</tr>
<tr>
<td>Complete Understanding</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: Maryland Tracking Study
Additional research focuses on potential segments who are interested in energy savings, their motivations, their communications preferences and interest in technology. Different educational messages can be used to target these customers via the media they prefer, such as TV advertising vs. advertising in local newspapers.

Customer Insights Panel

The Customer Insights Panel has been used to measure customer responses to potential education material design and terminology. This online panel is comprised of approximately 1,500 Pepco Maryland customers. Customers were recruited from My Account users in 2011, and opted in to participate in ongoing research.

This research shows that customers prefer images and shorter text that help direct their attention to the task – such as the sun image which helps remind customers that they need to act on hot days. It also helped clarify points of confusion in terms of wording.

The study provided specific feedback on which phrases were considered clear, which terms were confusing, and where customers thought there was too much text. Customers’ additional questions mentioned in the survey were incorporated in FAQs and included in other communications. The customer panel will continue to be used to enhance the effectiveness of communications moving forward.

Incorporating Lessons Learned AMI Phase II

Pepco Maryland’s current plan incorporates the following key areas:

- **External Communications** (community at large and customers as a community): Public Relations, Marketing, and Advertising
- **Stakeholder Relations:** Education of stakeholder groups
  - Importance of making sure stakeholders are all well-informed and engaged
- **Direct Customer Communications:** Direct mail and bill inserts
  - Pepco Maryland knows that these materials reach individual end users
- **Online and Web Resource:** Web and email as well as online marketing
  - Highly trackable

These strategies have been implemented in both the Delaware and District of Columbia jurisdictions.
Pepco has identified the key reasons that these areas are most effective.

<table>
<thead>
<tr>
<th>Key Area</th>
<th>Why This Has Been Viewed as Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Relations</td>
<td>Positive media relations upfront can help avoid the potential for non-factual information to be disseminated by anti-AMI groups.</td>
</tr>
<tr>
<td>Advertising</td>
<td>Advertising is an effective method for communicating with hard to reach audiences. The diversity of channels available for advertising enables a broader reach for specific audiences. Delmarva Power and Pepco DC have used television, radio, out of home, online and transit advertising. This was a very proactive move by way of Delmarva Power and Pepco that paid off in high customer awareness results in a recent J.D. Power and Associates survey.</td>
</tr>
<tr>
<td>Stakeholder Engagement</td>
<td>Communicating with stakeholders about Pepco Maryland’s plans helps keep stakeholders updated and avoid a potential backlash for lack of education. It also offers an invitation for stakeholders to learn more about Pepco Maryland’s activities that may affect their constituencies.</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>Direct mail allows a direct contact with customers, and is a preference for many customers, as identified in customer research. It is a good tool for providing detailed information for customers who are interested in specific program information.</td>
</tr>
<tr>
<td>Bill Inserts</td>
<td>Bill inserts are a low cost way of ensuring all customers are reached given that the majority of customers review their bill.</td>
</tr>
<tr>
<td>Website</td>
<td>Websites can provide detailed information and answer customer questions by including all potential questions and issues for customers to review. Websites allow for the tracking of customer response, in terms of total site visits and types of information viewed. Customers are able to view information based on their learning preference by viewing a video or reviewing written information. The takecontrol.com websites offered more detailed insight into what type of detailed information customers wanted and allow greater use of video.</td>
</tr>
<tr>
<td>Email</td>
<td>This tactic was not one of the channels used in its initial Phase I communications. Customers have specifically requested email in the customer research. Email can also provide useful tracking information in terms of the number of people opening the email, and the number of clicks on specific information links.</td>
</tr>
</tbody>
</table>
III. Strategy for Development: Peak Energy Savings Credit

Introduction - Strategy for PESC Development

In 2013, Pepco is launching the critical peak rebate form of dynamic pricing for Maryland customers. This program, named the Peak Energy Savings Credit (PESC), is a voluntary program available to all residential and small business customers. Participating in PESC provides an opportunity for customers to earn a credit on their bill by reducing energy use on certain days, described in more detail below.

On the day before a Peak Savings Day, customers will be notified of the specific hours to reduce their energy use in order to receive a credit. Customers will earn $1.25 credit for every kWh they reduce their electricity use below the baseline energy use, an average of their usage during the three highest usage days during the past thirty days, excluding peak days, weekends, and holidays. Customers can view their credit the next day online by logging on to My Account. Customers will also see their credit on their next bill.

In the summer of 2012, Pepco Maryland conducted a residential dynamic pricing program phase-in of PESC. This enabled Pepco Maryland to test a series of customer messages and tactics and assess response rates. A full copy of the phase-in report is attached in Appendix L of this document.

Phase-in Highlights

On June 8, 2012, the Commission issued Order No. 824966 in Case No. 9207 approving Pepco’s proposed phase-in of residential dynamic pricing during the summer of 2012 for approximately 5,000 Pepco Maryland customers. On July 2, 2012, the Commission issued a Letter Order accepting Pepco Maryland’s residential dynamic pricing rate tariff, approving an effective date of July 1, 2012. (ML# 140743, Case No. 9207). In compliance with these Commission orders, Pepco Maryland initiated its residential dynamic pricing program during the summer of 2012. Pepco Maryland’s phase-in of residential dynamic pricing during the summer of 2012 was intended to test dynamic pricing educational materials and messaging and the Company’s dynamic pricing operational capabilities.¹ On October 15, 2012, Pepco Maryland filed a report that contained a description of the residential dynamic pricing phase-in activities, information regarding customer energy reductions during events, educational materials developed and used, customer reactions to educational materials and the overall program, operational issues, and “lessons learned” that will be applied to Pepco Maryland’s introduction of the program to all residential distribution customers during 2013. A full copy of this report is included in Appendix L of this Plan.

Summary of PESC Phase-in

Pepco Maryland enrolled approximately 5,000 customers in the residential dynamic pricing program on a default applicability basis during June 2012.² The selected customers were located in one of two geographic areas of Montgomery County and Prince George’s County with

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¹ The phase-in program was not designed to provide new dynamic pricing load reduction price elasticity estimates applicable to the overall Pepco residential customer population.

² The number of customers eligible for dynamic pricing fluctuated over the summer due to accounts changing to inactive status and customer migration to third party suppliers.
activated advanced metering for over-the-air interval meter readings. All enrolled customers purchased their energy supply through utility-provided Standard Offer Service.\(^3\) Nine hundred and ten participants of Pepco Maryland’s Energy Wise Rewards\(^\text{TM}\) (EWR) Program were included within the group of customers selected for the phase-in program.\(^4\) Pepco Maryland informed customers of their selection for the phase-in program through a direct mail piece that was mailed during the week of June 25\(^{\text{th}}\). Additional customer contacts were made to provide additional program educational materials to customers and these efforts are detailed in the educational section of this report. Pepco and Delmarva Power previously conducted market research to name the PESC program.

The Company called three dynamic pricing events during the summer on August 3\(^{\text{rd}}\), August 24\(^{\text{th}}\), and September 20\(^{\text{th}}\).\(^5\) Each event was called for the time period of 2 p.m. to 6 p.m. Event notification took place the afternoon/evening prior to the event through email, text messaging, and/or a telephone call. Over the three events more than 4,000 customers (or approximately 90 percent of participants) reduced their electricity use compared to their individually calculated customer baseline load (“CBL”). Collectively, these customers earned rebates totaling $109,791. Market research of participant reactions that was conducted during the summer and after the second event indicated overall satisfaction with the program and also provided useful insights regarding opportunities to refine educational techniques and messaging. Additionally, Pepco Maryland has identified several operational improvements that will be made to the program prior to its expansion to all residential distribution customers in 2013. These lessons are included in Appendix M.

**Related Research**

Pepco Maryland conducted both qualitative and quantitative research to understand customer perceptions of the program. Both research types provide insight into customer perceptions of the program, their experience, and customer interest in future participation. The research included the following:

- Customer focus groups conducted for qualitative feedback on program, process and customer education materials.
- Telephone survey conducted with customers to assess their program awareness, participation, and future interest.

A full discussion of the research findings is included in the Dynamic Pricing Phase-in Report.

\(^3\) Beginning in 2013, pursuant to the Commission’s approval of the recommendations contained within the March 16, 2012 Dynamic Pricing Implementation Working Group Report, all Pepco residential distribution customers will have the opportunity to participate in Pepco’s residential dynamic pricing program. (Order No. 84925, May 25, 2012, Case No. 9207)

\(^4\) The number of EWR participants increased during the summer as additional customers enrolled in the EWR program and the EWR cycling equipment was installed.

\(^5\) The Derecho storm event of June 29, 2012 resulted in a delay of event activations until August due to the diversion of all available resources to customer outage restoration efforts. Pepco filed a letter with the Commission on July 20, 2012 in Case No. 9207 explaining this scheduling adjustment.
Incorporating Lessons Learned from Maryland Phase-in 2012

In rolling out the phase-in customer education program, Pepco Maryland learned some key lessons around customer preferences and the probable effectiveness of tactics.

These lessons learned have been incorporated into the PESC customer education plan proposed in this document. To summarize, this is what Pepco Maryland learned:

Customers found toolkits helpful in conveying the complexity of the PESC message. In particular, they liked the magnet that was sent in the toolkit package. In addition, recurring postcards were a good way of reminding customers about participating in Peak Savings Days. Email also played an important role in this phase-in, as Pepco Maryland was able to use email to complement the direct mailings. The Company found that customers were opening the email and taking action by going directly to the pepco.com website and visiting My Account. This was a good “temperature check” that messaging was resonating and customers were taking action. Due to the effectiveness of this email campaign, Pepco Maryland has incorporated email as an essential strategy for all smart meter program and related communications.

As part of the phase-in, Pepco Maryland initiated a large telemarketing education program to educate customers in more detail over the phone about the PESC. The outcomes around this program were mixed, and as a result Pepco Maryland is removing this from the proposed plan for the larger rollout.

There are a number of operational and customer education lessons learned from the phase-in. This plan focuses on lesson learned for customer education. Key lessons learned, include:

- **Do Not Make Materials Too Long** – Customers want the right balance of information, but not too much text.
- **Introductory Letter** – Similar to the content above, customers felt that the letter was somewhat redundant and information was already included in the toolkit brochure. This letter is not being included in the 2013 information toolkit.
- **Envelopes** – Customers wanted to make sure packaging of PESC toolkits looked different than regular mailings from Pepco Maryland.
- **Be More Clear About What Customers Can Do To Save Money** – Customers would like more specific examples of how they can receive a credit by reducing their kWh baseline on Peak Savings Days
- **Environmental Benefits** – Customers thought that showing environmental benefits around kWh reduction would be an effective motivator to reduce their own energy use.
- **Saving Money** – Customers felt that the saving money message was the number one motivator for reducing energy use on Peak Savings Days.
- **Outbound Telemarketing** – Customers had mixed reaction to education calls from Pepco Maryland about PESC. Due to this finding, this tactic is not being incorporated into this plans recommendations.
- **Email** – Customers were receptive to email and Pepco Maryland found it an effective
tool for tracking customer response and action.

- **Website** – Customers wanted a website URL included on materials were they could find further information.
- **Energy Wise Rewards** – Customers needed additional clarity about relationship between EWR and PESC.

For the complete list of lesson learned, please see the Maryland Dynamic Pricing Phase-In Report in Appendix L. While Pepco Maryland could not incorporate advertising into the phase-in because it was a limited customer base, Pepco Maryland is adding advertising as a proposed component of this plan due to the densely populated service territory and large-scale nature of the roll-out.

**IV. AMI Phase II Implementation Plan**

*Campaign Overview and Timing*

As stated in the Customer Education Plan filed on January 31, 2011, Pepco Maryland envisions the proposed Customer Education Plan as four distinct but inter-related campaigns, which correspond to the major phases of the smart meter rollout:

Phase I:
Campaign 1: Pre-Deployment Awareness
Campaign 2: Meter Deployment and Installation

Phase II:
Campaign 3: Smart Meter Benefits
Campaign 4: Peak Energy Saving Program (Peak Rebate Program)

This plan focuses on Campaigns 3 and 4. The following chart shows the phases of meter deployment and how the proposed customer education campaigns are aligned with the Deployment Phase.
Phase I of customer education in Pepco Maryland focused on smart meter awareness. Customers have been receiving communications introducing their meter and discussing initial benefits. Once all of the meters are activated in Maryland (spring 2013), Pepco Maryland will launch its mass communication effort. Phase II of AMI customer education is primarily focused on the benefits of new features and tools now available on My Account. Phase I focused on "Take Control" of your energy use with your new smart meter, and Phase II moves away from the meter and focuses on new data and tools available online.

This customer education plan is designed to complement Pepco Maryland’s smart meter activation period, as well as the introduction of the PESC program to the full Pepco Maryland customer base that will occur in the summer of 2013.

It should be noted that installation of smart meters in Pepco Maryland is nearly complete; however there may remain some meters that are hard to access, which have delayed their exchange. Attempts will continue to be made to set up an appointment with these customers: three phone calls, three visits to the location where the meter is located, and the sending of a final attempt letter. It is uncertain as to when the difficulty of accessing the hard to access meters, so that a smart meter can be installed, will be resolved. These customers may ultimately decide to defer installation until an opt-out decision is finalized.
Below is the status of smart meter installations and activations:

Pepco Maryland Cumulative Installations and Activations
As of March 2013

Pepco MD AMI Field Deployment

Note: Numbers are to the nearest thousand
Pepco Maryland’s Customer Education Timeline

The proposed timeline will depend upon plan approval. Some of the activities for the two Campaigns overlap, although the AMI education will continue after the completion of the PESC program education in September. Tactics and messaging will be shared with the Working Group as materials and media plans are developed.

Addressing Meter Opt-Out

On January 7, 2013, the Maryland Public Service Commission issued Order No. 85294 stating that, effective immediately the May 25, 2012 Interim Order on Opt-Out will remain in effect:

Until such time as the Commission issues its final decision on these issues, the utilities [Pepco, BGE and Delmarva Power] shall refrain from installing a smart meter in the home or business of any customer who notifies the utility in writing that they do not wish to have a smart meter installed, and for those customers that inform their utility in writing that they have already received a smart meter but do not wish to have one, the utility shall refrain from activating those customers’ smart meter transmitters until such time as the Commission issues its final decision on these issues.

After the Commission issued its Interim Order on May 25, 2012, Pepco acted promptly to
establish procedures to comply with the Commission’s decision. These procedures are being followed by Pepco.

- Opt-out is included in the FAQ documents that are both posted on the website and mailed to customers upon request. (http://www.pepco.com/energy/blueprint/smetersmd/faq.aspx)
- A procedure is in place for meter refusals and removals.

If customers call the call center with the request to opt-out, customers are informed of the requirement for a written opt-out request. The customer's opt-out request is received, logged and distributed to the appropriate parties for Meter Removal or AMI Install Hold (until a final ruling from the Commission). Additionally, Pepco’s Call Center has prepared Maryland PSC Opt-out Order Talking Points for representatives to use when speaking to customers about the Opt-Out Provision. See the Opt-out Talking Points for the Call Center in Appendix N.

After Pepco receives a customer request to opt-out, the customer will be sent a letter confirming that their opt-out request has been received. The letter details whether their installation will be held, or if an AMI meter has been installed, Pepco confirms that it will be removed and replaced with a legacy meter.

Whenever a customer is encountered during an installation and tells the installer that they do not want the new meter, it is treated as a customer refusal. In these cases the installer politely tells the customer that they do not have to install the new meter today and that they will refer the matter to their supervisor.

Pepco will continue to work with the AMI working group to review suggestions around how to better improve the communication of this opt-out message.

When a final order is issued on opt-out, Pepco will update its website and implement procedures to comply with the Order. Pepco will contact customers currently on the opt-out list and communicate the requirements for opt-out as specified in the order.

V. Campaign 3 Implementation: Smart Meter benefits

Strategy and Messaging for AMI Phase II Customer Education

Campaign 3 is designed to educate customers about the new tools available through My Account that will educate customers in greater detail about their usage of electricity. My Account is Pepco’s online energy analysis tool that is accessed directly through pepco.com and requires the customer to enroll with an account number and password. The goal of Campaign 3 is to increase enrollment of customers on My Account and encourage customers to use the interval data information and the My Account tools to help reduce electricity use. The message for Campaign 3 is focused on “Take Control” and providing education to customers on how they can be more proactive in their management of their energy use.

In addition, Pepco Maryland will be looking to integrate energy efficiency messages and AMI benefits where it is allowable and appropriate, including the Energy Wise Rewards program.
Key Objectives of Campaign 3:

1. Continue to raise awareness of the installation of new smart meters
2. Inform customers about the new programs and potential benefits that these smart meters enable and ways to access them
3. Encourage customers to go to pepco.com to enroll in My Account
4. Encourage customers to use detailed energy use information to help them better understand how they use electricity and how they can consider changes that might reduce their energy use.

Benefits and Key Messages for Campaign 3

Some smart meter benefits will automatically be available to all customers without any action on their part, including, but are not limited to: fewer estimated bills, remote on-off for move-in and move-out, and the ability for customer service representatives to access more detailed information about a customer’s energy use. Pepco will use this information to help customers understand their electricity use patterns and the impact of various options available to customers to reduce their energy use and potentially reduce their monthly electric bill.

Remote turn on and turn off of the meter in between move-in and move-out will be used as follows:
- Customer initiated service requests for move-in or move-out
- Following a premise visit by the Company and attempt to contact the customer, for non-payment of their electricity bill.

Other benefits – such as remote completion of customer-initiated service requests to turn on or off the meter – will require customers to take some affirmative action to change the way they have historically interacted with Pepco Maryland. Most of these new opportunities were available beginning June 2012 for those smart meters that have been activated, with the exception of remote completion of customer-initiated service changes (move-ins, move-outs, new service), which will be available beginning Q1 2013.

In addition to the primary messages for this Campaign relating to the My Account web portal and associated energy management tools, Pepco will inform customers of the following:
- Improved customer billing practices, such as a decrease in estimated bills, including those issued after outages
- Operational efficiencies due to remote meter reading
- Remote confirmation of service restoration following a power outage
- Remote turn-on and turn-off for customer initiated move-in and move-out
- Ways to save energy and costs through improved energy management and through energy reduction behavior

Note: The average number of bills estimated prior to the installation of smart meters in June 2011 was approximately 3 percent for Pepco, which includes Maryland and the District of Columbia.
<table>
<thead>
<tr>
<th>Benefit</th>
<th>Messages</th>
</tr>
</thead>
</table>
| **Meter Reading and Billing**                | Pepco Maryland will read meters through the new wireless communication system and avoid the need for reading the meter manually at the customer’s location.  
The number of estimated bills will be substantially reduced.  
Pepco Maryland will be able to provide customers with more detailed information about their electricity use in response to customer billing inquiries. |
| **Service Restoration**                      | Pepco Maryland will be able to determine the location of outages more quickly, but customers should continue to call Pepco Maryland to report outages.  
Pepco Maryland will have more information on customer outage restoration from an event and this may result in a more efficient crew dispatch to address remaining outages. |
| **Presentation of Customer Use Detail and Tools to Take Action** | Smart meters will enable customers to view their hourly electricity use online the next day. Customers should sign up for My Account at pepco.com to view their detailed use and billing information. Pepco Maryland’s brochure describing how to sign up for My Account is included in Appendix D.  
Customers will be provided a new level of detail regarding their electricity use. This detailed information, along with tools and tips to reduce electricity use, will be presented to customers based on their own historical energy use and billing information.  
Pepco Maryland will make a conscious effort to include language for non-computer users in customer education materials that inform customers of the option to receive their energy use data in the mail. This information will allow customers without internet access or with special needs to receive detailed information. A sample of this is included in Appendix D of this plan.  
Pepco Maryland’s specialized employees on energy use, energy advisors and energy engineers, will be available to help customers who call Pepco Maryland with questions on how to interpret their energy use information, high bill complaints and energy conservation tips. Customers who call the call center will be referred to these specialists for a more detailed discussion to answer their questions. |
| **Remote Completion of Customer-Initiated Service changes** | Pepco Maryland will implement customer-initiated changes in service connections remotely and more quickly, such as customer initiated service requests for move-in and move-out. Disconnection for nonpayment will only occur after a premise visit and attempt to contact the customer by the Company representative. |
Communication Challenges for Campaign 3

Pepco Maryland has identified the following key challenges for Campaign 3, Smart Meter Benefits:

- Continued confusion between the Energy Wise Rewards direct load control program, and the Peak Energy Savings Credit dynamic pricing program.
  - Program materials will be designed to show the benefits and differences of the two programs.

- The potential for overlap and customer confusion about the messages of Campaign 3 and Campaign 4 concerning the PESC program that may occur during the same time period.
  - Program materials will use similar design and terminology to reduce confusion.
  - Pepco Maryland will time the release of materials in order to prevent overload.

- Customer segments vary in terms of their interest in signing up with My Account and in terms of taking repeated actions to modify their behavior to reduce electricity use.
  - Pepco Maryland realizes that all customers may not initially react to both programs. Over time, with targeted communications, and as customer awareness and experience increases, some segments may become more inclined to participate.

- Reaching non-English speaking customers, lower income customers, customers with special needs and disabilities, including those who may need to use electricity for medical devices or to prevent adverse health impacts, particularly in hot weather.
  - Pepco plans to address this issue with a variety of tactics as described in the plan.

- Boosting customer enrollment and use of My Account.
  - Pepco Maryland currently has approximately 32% of its 533,000 customers enrolled in My Account. (Total enrolled was 173,200 as of November 7, 2012) Customers who are enrolled in My Account currently and receive smart meters will not have to sign up again to take advantage of new features.
  - Some customers may not initially be interested in signing up to use My Account, but Pepco plans to continue to increase awareness so that customers know the tool and information is available when they need it.

- Limited access of some customers to the Internet.
  - The plan includes a wide range of tactics to communicate with these customers and support their participation.

- Reaching customers who do not listen to local radio or television.
  - The plan includes a wide range of tactics to communicate with these customers.

- There are people with full or part-time care givers or customers with 3rd party notices who may be left out of this process. They (or their care giver on their behalf) may want to access whatever benefits might be available and still maintain a healthy situation for the customer.
  - Communications will remind customers to reduce energy use in ways that do not affect their health.
As detailed earlier, Pepco Maryland has tried to leverage effective tactics from Phase I of its customer education plan as well as results from customer research. As a result, Pepco Maryland is recommending the following tactics for Phase II Campaign 3.

**Tactics for Campaign 3**

<table>
<thead>
<tr>
<th>Vehicle</th>
<th>What</th>
<th>Why</th>
<th>When</th>
<th>Challenge Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Bill Inserts</td>
<td>Run periodic update articles on smart meter programs. Communications are written in simple and direct language, treating customer as a partner. They will avoid trade jargon. Notes in Spanish will be included to target Spanish speaking households.</td>
<td>Providing information to customers in the bill envelope ensures every customer is reached directly. To help customers understand the features, benefits and new tools on My Account. They are also well suited for non-computer users.</td>
<td>2013</td>
<td>All except non-English speaking (see note under “What”)</td>
</tr>
<tr>
<td>Customer Direct Mail</td>
<td>Includes three newsletters and two postcards. Language will be included in Spanish on how further information in Spanish is available.</td>
<td>To let customers know what the benefits of smart meters are and how to access data/tools that demonstrate these benefits.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td>Customer Direct Emails</td>
<td>Three emails</td>
<td>To let customers know what the benefits of smart meters are and how to access data/tools that demonstrate these benefits.</td>
<td>2013</td>
<td>To customers whose email addresses are available in PHI database</td>
</tr>
<tr>
<td>Pepco.com</td>
<td>Pepco Maryland’s company website provides an access point to My Account and other company specific news and information. Provides basic smart meter information including FAQs, Privacy statements, and overview of Pepco Maryland’s AMI strategy.</td>
<td>It is easy to find and access. Located on the Contact Us page, the pepco.com website provides a phone number for Spanish speaking customers.</td>
<td>Ongoing</td>
<td>All except non-English speakers. Limited multimedia functionality</td>
</tr>
<tr>
<td>Take Control Maryland.com</td>
<td>This educational “microsite” is available by visiting pepco.com. It offers smart meter information as well as instructions on how to enroll in My Account. A full description of this site is available on page 12 of the</td>
<td>Ease of use; Language is lay-person friendly.</td>
<td>2013</td>
<td>All except limited access to Internet</td>
</tr>
<tr>
<td>Plan</td>
<td>Description</td>
<td>Goal</td>
<td>Year</td>
<td>Audience</td>
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<tr>
<td><strong>Videos</strong></td>
<td>Create lively and engaging videos to talk about the benefits of smart meters and tutorials. These are available online: takecontrolmaryland.com YouTube as well as available for showing at in-person events.</td>
<td>To reach customers attuned to video communications as a preferred medium for receiving and processing information.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>News Media Outreach</strong></td>
<td>Press releases</td>
<td>To keep the news media and public updated on the benefits of smart meters to customers and raise awareness of My Account.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>Market Research Tracking Studies</strong></td>
<td>Measure the effectiveness of customer messages and ensure customer understanding.</td>
<td>To determine customer awareness of the benefits of smart meters for the purpose of improving further communication and messaging.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>Customized Customer Energy Report</strong></td>
<td>All customers will be informed of the availability of hard-copy electricity reports to be mailed to customers, including hard-to-reach customers as communicated via community outreach. Communication will be in the form of bill inserts and Lines newsletter. Language will be included in Spanish.</td>
<td>Enables customers without internet access and/or those hard-to-reach customers to receive the full benefits of detailed information on their electricity use in My Account and smart meters.</td>
<td>2013 – Available upon request, in 7-10 business days</td>
<td>All</td>
</tr>
<tr>
<td><strong>Advertising</strong></td>
<td>Advertising has proven an effective tactic in other jurisdictions, for example in Delaware rolling out AMI. It offers a range of channels such as radio, television, internet, print and transit advertisements used to reach a variety of customers with varied media interests to encourage enrolling and accessing My Account. Television and radio segments will be run for about five weeks each year. There is funding from the U.S. Department of Energy for radio advertising.</td>
<td>Builds awareness of smart meter benefits. This method of communication is a way to provide multiple points of contact to reach a broad audience as well as channels to reach specific audiences. Integrated program includes online, print, television and radio.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>Community Outreach Meetings</strong></td>
<td>Present information on smart meter benefits.</td>
<td>Proactive education of customers, increase awareness especially among hard-to-reach customers. Partnerships are identified in the addendum section of this document.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>Customer AMI Information Handout</strong></td>
<td>Folder containing materials for customer communications. These materials are available at in-person events as well as online. Includes brochure, newsletter, and FAQs on the rollout of the benefits of smart meters for customers. Advice to customers with medical needs to remain comfortable when considering how to manage electricity use.</td>
<td>This is part of Pepco Maryland’s mass communications strategy and informs customers, in a single packet, of the benefit of smart meters. Hard copy materials are very well suited for certain special interest groups, particularly those that do not have access to Internet.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>Stakeholder Communication</strong></td>
<td>Letter to Stakeholders at the start of the campaign to inform of the benefits of smart meters.</td>
<td>To keep the Stakeholders updated on the status and progress of the rollout of smart meters and their benefits to customers via pepco.com.</td>
<td>2013</td>
<td>All</td>
</tr>
</tbody>
</table>

**Leveraging Online Resources**

During the course of Pepco Maryland’s AMI customer education program, there have been, and will continue to be, a number of online resources available to customers. These resources work together to provide information in a variety of ways to different types of customers.

**Pepco.com**
Pepco.com is the corporate website serving customers in the District of Columbia and Maryland. This website provides basic information to customers about the Company and its programs, and serves as the gateway to the *My Account* application.

**My Account**
*My Account* is Pepco’s online account management and energy analysis tool. It is housed on pepco.com. This is the home of new detailed daily, weekly and monthly energy use
information as well as Bill to Date and home energy use information.

**Takecontrolmaryland.com**

Created initially for Phase I customer education, takecontrolmaryland.com is a full service, interactive smart meter information microsite that provides more detailed information about smart meters and related benefits. It is meant to be a dynamic information source and adapt to the changes in messaging as the deployment and activation progresses. Information includes, but is not limited to, videos, downloads, and brochures. There is a link from takecontrolmaryland.com to pepco.com and vice versa.

While pepco.com houses a great deal of corporate information, this microsite was created to be a tool dedicated to information for AMI customer education. It offers a number of benefits including the bandwidth to host multimedia and the ability to be updated regularly and dynamically with the fluid progress of the deployment. The pepco.com website is limited in terms of interactive capabilities and space.

Takecontrolmaryland.com also offers Pepco Maryland unique metrics tied to the customer education campaign that pepco.com does not offer. Because it is included on most education materials, Pepco Maryland is able to monitor how many people visit the site and how much time is spent on the pages, as well as determine which pages are most frequently visited by customers.

Note that the primary message of Phase II education will be to inform customers on how they can take advantage of new benefits available through *My Account*. As the campaign evolves from a focus on infrastructure (smart meters) to benefits, takecontrolmaryland.com will evolve with it. Ultimately, the strategy is to tone down the marketing of the takecontrolmaryland.com microsite as the AMI customer education reaches its completion and the need for installation and infrastructure information becomes less important. The Pepco Maryland team will be working to integrate related energy management and energy efficiency program (e.g., EmPOWER Maryland) messages with AMI messaging where allowable and appropriate.

**Messaging Strategies and Tactics for Vulnerable Customers**

Pepco Maryland will reach out to customers who are typically more difficult to reach, including seniors, the disabled or medically frail, non-English speaking, and low-income customers through a wide variety of channels as discussed in the Campaign 3 tactics. Vulnerable customers and caretakers will receive targeted messaging through both written communications and community outreach. Additional channels as suggested by stakeholders will considered and used as needed.

Pepco will focus on targeted advertising which has proven effective as a means of communicating to some of these parties. Specifically, Pepco Maryland does Spanish translations and traditionally uses Spanish publications to reach non-English speaking customers. Pepco Maryland also includes in its media mix, print publications targeting seniors. Cable advertising
and online advertising both provide the ability to geo-target\(^6\) specific demographics in an advertising market that is shared with the District of Columbia. This ensures that Pepco Maryland is reaching its customers specifically. Furthermore, paid online advertising gives Pepco Maryland the availability to buy “real estate” on affiliated websites and third party newsletters where and when available.

By implementing a strong community outreach program that consists of community and agency partnerships, Pepco Maryland can actively go into the community with hands-on education programs. Targets will include churches, health departments, senior centers, public schools, and housing authorities in Prince George’s County and Montgomery County that provide information on open houses, community meetings/fairs, family day events, etc. At these events, face-to-face presentations can be made, and/or information can be distributed about the benefits of smart meters and *My Account*. Information can also be provided for common areas such as waiting rooms and lobbies.

Some materials will also be available in Spanish. See a List of Agencies in Appendix F; however others may be included as identified.

*The Importance of Advertising*

Pepco Maryland serves a majority of the households in Montgomery County and Prince George’s County, Maryland. In order for the AMI Maryland campaign to be effective, the campaign requires a program that will reach 90%+ of the adult population in each county, and will have enough message frequency to generate impact and action.

This public education campaign requires a broad use of paid media to ensure coverage of not only the mass market, but individual groups that should have specialized attention: different ethnic groups where English is not often used at home, people aged 75+ still living independently, etc.

Through its AMI deployments in both Delaware and the District of Columbia, Delmarva Power and Pepco have seen that proactive mass communications activities around both meter deployment and related energy management tools will increase awareness of energy management tools and increase understanding of smart meters. A multi-channel mass communications effort ensures that Pepco will reach the different segments within the Maryland

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\(^6\) Geo-targeting is a term used in connection with internet and mobile (cell phone) advertising. Geo-targeting is a feature that large websites usually have that allows them to have advertisements appear only to people in a specific geographic area. As an example, advertisers are able to supply the website in which they placing advertisements, with lists of all zip codes in a designated area and people with IP addresses in those areas will be the only people to see the advertisements. Geo-targeting it is an important tool that avoids wasted visibility, so only people within the utility’s jurisdiction, will see the advertisements.
customer base. Advertising has proven an effective tactic in other jurisdictions, for example in the Delaware AMI rollout campaigns. It offers a range of channels such as radio, television, internet, print and transit advertisements used to reach a variety of customers with varied media interests to encourage enrolling and accessing My Account. The Commission has recognized the value of advertising in public education campaigns in the past. Advertising is also used in Empower MD.

In addition to the use of specific channels to reach broad audiences, advertising is an effective method for communicating with hard to reach audiences. The diversity of channels available for advertising enables a broader reach for specific audiences.

This method of communication is also a way to provide multiple points of contact to reach a broad audience as well as channels to reach specific audiences. The integrated program includes online, print, television, radio, and possibly transit. Further details are discussed in the plan. Customer research indicates that multiple communication points are needed to reinforce awareness.

The full media plan will be shared with the Working Group when the plan is finalized, as it depends on budget and availability. Specific media outlets cannot be finalized until the plan is approved. A shorter timeframe for purchase of specific media means that some media outlets may no longer be available. Once the plan is approved, Pepco will be able to finalize the media buys and will send information on the ad placements.

Pepco Maryland has learned the following key takeaways from previous mass communications efforts:

- There is a need to have multiple opportunities to communicate with customers throughout Phases I and II of AMI. Customers need to be informed and reminded that they are getting new smart meters in order to increase the likelihood that they will take advantage of the My Account energy management tools and participate in the PESC program when available. If customers are unaware of the benefits of smart meters, they are less likely to take advantage of tools that can help them understand their energy use.
- A single communication method does not reach all customers. Customer preferences vary in terms of media they pay attention to.
- Pepco Maryland has learned that effectively reaching customers can reduce customer confusion regarding smart meters and their benefits.

Phase II for AMI is critical, because the emphasis is on energy management tools. If Pepco Maryland wants customers to actively change behavior, the Company must effectively and consistently communicate these messages and benefits to customers. The “Take Control” theme will continue to be included in the messaging. Customers will be encouraged to enroll in My Account and to take control of their energy use by viewing the data available through the “When Does My Home Use Energy,” “Bill to Date,” and “How Does My Home Use Energy?” tools provided on My Account.
VI. Campaign 4 Implementation: Peak Time Rebate (PESC)

Overview

In the summer of 2012, Pepco Maryland conducted a phase-in of 5,000 customers in Maryland for the PESC. The lessons learned from the phase-in have been incorporated into this customer education plan.

The PESC program is a voluntary program available to all residential and small business customers. Participating in PESC provides an opportunity for customers to earn a credit on their bill by reducing energy use during special Peak Savings Days which generally coincide with the hottest days of summer, typically between 12 p.m. and 8 p.m.

The program operates as follows: Pepco Maryland will notify residential customers of specific Peak Savings Days the evening before the Peak Savings Day. Customers will be informed by a telephone call, text, or email. Customers can select their preference for how Pepco Maryland contacts them either through My Account or by calling Pepco Maryland’s Smart Meter Information line at 1-855-NEW-METER. The Smart Meter Information line goes directly to the Pepco Maryland call center, where trained customer care representatives are available to answer questions. For customers with detailed energy use questions, they can be transferred to a Pepco Maryland Energy Advisor, who is specifically trained to address these types of questions, challenges or concerns.

Once customers have been notified about an upcoming Peak Savings Day, they are encouraged to lower their electricity use during the hours designated for the Peak Savings Day. Customers who participate in the PESC program will earn $1.25 credit for every kWh they reduce their electricity use below the baseline energy use that is calculated specifically for each customer. The baseline is the electricity use level a customer needs to be under during a Peak Savings Day to be eligible for a credit to their bill.7

Customers can view their credit the next day online by logging on to My Account. Customers will also see their credit on their next bill.

This customer education campaign for Pepco Maryland encourages customers to sign up for My Account, Pepco’s online account management and energy analysis tool, in order to take full advantage of the new AMI tools now available. The AMI campaign education will continue throughout the year. The PESC campaign will be promoted April-September. The tools, features and benefits promoted in Campaign 3 through the AMI education will be reinforced in a portion of Campaign 4. Using the features of My Account can help customers understand how they can maximize their savings on Peak Savings Days.

In addition, Pepco Maryland has an existing program that is targeted to customers with central air conditioning called Energy Wise Rewards (EWR). In this program, customers agree to allow

7 A customer’s baseline is determined using their average electricity use during similar peak hours. The bill credit is calculated using the three days with the highest usage during the prior 30-day period – excluding the day prior to the Peak Savings Day, holidays and weekends.
Pepco Maryland to adjust their thermostat during Peak Savings Days in return for a monthly fixed credit. Customers enrolled in EWR can also participate in the PESC, and earn additional credits on their bill by reducing energy use for other appliances during Peak Savings Days. This program does not require a smart meter, but relies on a direct communication from Pepco to the customer’s thermostat. On most occasions, the two programs will operate on the same critical peak Events. Pepco will encourage customers with central air conditioning systems to enroll in EWR to increase the potential bill credits by participating in both programs.

Part of Pepco Maryland’s strategy for PESC is to integrate the benefits of the EWR program into language included in PESC materials, to help customers understand their options to reduce their energy use. By including this language in communications materials, Pepco Maryland seeks to diminish customer confusion around these two programs, which both offer benefits on Peak Savings Days. This is supported by customer research indicating that customers perceive the two programs to be different ways to accomplish similar goals.

The draft creative materials provide an example regarding the integration of PESC and Energy Wise rewards messaging. Pepco is currently working on developing a formula for proper cost allocation between PESC and EWR. The cost allocation between the two programs will include, but is not limited to expenses related to creative development, production, media buys, and distribution of materials. The proposed cost allocation formula and explanation will be shared with the Working Group when completed.

**Objectives for Campaign 4**

The PESC name was derived after much customer testing. Focus groups and one-on-one discussion with customers showed that customers preferred the term “credit” over “rebate.” Pepco Maryland conducted a series of focus groups, and the term “credit” was considered to be more accurate and more appealing than a “rebate,” which is typically associated with a number of steps that a customer would have to take to apply for a rebate.

In addition, Pepco Maryland felt that introducing “Peak” terminology to customers would have long term benefits to both the utility and the customer because customers are familiar with the concept of peak times in other industries, and are conditioned to behave differently during those times. When trying to influence customer behavior change, it is helpful to use familiar terminology. Additionally, the customer research indicated that this terminology was clear.

The Key Objectives of Campaign 4:

- To explain Pepco Maryland’s PESC clearly and simply, so customers will participate by reducing energy use during the designated hours on Peak Savings Days, while clearly explaining the difference between, and overlap of, the PESC and EWR programs.
- Encourage customers to enroll in My Account, Pepco’s online account management and energy analysis tool, and learn about the many tools available that will help customers reduce and manage their electricity consumption.
Secondary Objective of Campaign 4:

- Help customers understand that reducing peak usage on the hottest days of summer will help to reduce energy prices and ultimately reduce electric costs for all customers.

Customers who reduce energy use during Peak Savings Days will earn a credit of $1.25 for every kWh reduced below their baseline and this credit will appear on their monthly bill.

Benefits and Key Messages of Campaign 4

In this campaign, Pepco Maryland will explain the PESC program and help customers understand how to obtain a credit on their bill when they reduce energy on Peak Savings Days.

Customers participating in the EWR direct load control program receive a bill credit during the June through October billing months. These customers may earn an additional bill credit through the PESC program if they reduce their electricity use in for appliances other than their central air system.

Communications Challenges for Campaign 4

Pepco Maryland has identified a number of challenges around Campaign 4:

- No current customer awareness around the PESC program
- Reaching Spanish speaking and other non-English speaking customers
- Reaching low income customers
- Reaching customers with disabilities
- How to communicate with elderly customers, customers with disabilities, and others who may need electricity during Peak Energy Days for medical or health reasons
- Questions on how to reduce electricity consumption to earn a credit
- Questions on how baseline is calculated
- Getting customers to enroll in My Account
- Understanding how EWR and PESC work together to reduce electricity and help customers earn a credit on the bill
- Limited access of the Internet to some customers
- Reaching customers who do not listen to local radio or television

In order to meet these challenges, Pepco Maryland has developed a plan for Campaign 4, based on proven tactics and lessons learned during the summer 2012 experience with PESC. Pepco Maryland’s diversified tactical approach to customer education is intended to reach all segments of customers:
<table>
<thead>
<tr>
<th>Tech Savvy and Computer Users</th>
<th>Non-Computer Users</th>
</tr>
</thead>
</table>
| - We are ensuring we keep website, microsites and e-mail up to date  
- Increased use of email | - Bill inserts, direct mail, print newsletters, radio |

<table>
<thead>
<tr>
<th>Elderly and Special Needs</th>
<th>Non-English</th>
</tr>
</thead>
</table>
| - Partner outreach targeted to these special needs groups  
- Customer informational telephone line will also be on all materials, and representatives are available and trained to help these individuals | - FAQs and Fact Sheet available in Spanish  
- Sentence on all materials in Spanish that lets customers know that they can call and request information in Spanish  
- On Pepco website there is currently information about a Spanish speaking telephone line |
## Details on Campaign Tactics for Phase II – Peak Time Rebate (Peak Energy Savings Credit)

<table>
<thead>
<tr>
<th>Vehicle</th>
<th>What</th>
<th>Why</th>
<th>When</th>
<th>Challenge Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Bill Inserts</td>
<td>Run periodic update articles on the PESC benefits. Communications are written in simple and direct language, treating customer as a partner. They will avoid trade jargon. Notes in Spanish will be included to target Spanish speaking households.</td>
<td>Providing information to customers in the bill envelope; reaches every customer directly. To help customers understand impact of reducing electricity use during hottest days of summer and the potential credit on their bill. They are also well suited for non-computer users.</td>
<td>2013</td>
<td>All except non-English speaking (see note under “What”)</td>
</tr>
<tr>
<td>Customer PESC Toolkit/Direct Mail</td>
<td>Brochure, Magnet and FAQs about PESC</td>
<td>This is part of Pepco Maryland’s mass communications strategy and informs customers, in a single packet, of the benefit of PESC. Hard copy materials are very well suited for certain special interest groups, particularly those that do not have access to Internet.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td>Take Control Maryland.com</td>
<td>The smart meter microsite will have a fully dedicated section on PESC which will include videos and FAQs. Pepco.com will include a section on PESC.</td>
<td>Ease of use, quick, friendly information guide at your fingertips.</td>
<td>2013</td>
<td>All except customers with limited access to the Internet</td>
</tr>
<tr>
<td>Videos for takecontrolmaryland.com and YouTube</td>
<td>Create lively and engaging videos to talk about how PESC works and tips to conserve electricity. These are available online and also presented when appropriate at in-person presentations.</td>
<td>To reach customers attuned to video communications as a preferred medium for receiving and processing information.</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>News Media Outreach</strong></td>
<td>Press releases, and direct media relations efforts.</td>
<td>To keep the news media and public updated on the status and progress of the PESC program and benefits to customers and raise awareness of the credit, <em>My Account</em>, and takecontrolmaryland.com. To condition traffic/weather news media to treat PESC in similar fashion as air-quality alert or school closing information.</td>
<td>2013</td>
<td>All, though news releases are written in English.</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>--------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>Market Research Tracking Studies</strong></td>
<td>Measure the effectiveness of customer messages.</td>
<td>To determine customer awareness of PESC for the purpose of improving further communication and messaging.</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td><strong>Customized Customer Energy Report</strong></td>
<td>All customers will be informed of the availability of hard-copy electricity reports, upon request, to be mailed to customers, including those hard-to-reach as communicated via community outreach. Communication will be in the form of bill inserts and Lines newsletter.</td>
<td>Enables customers without internet access and/or those hard-to-reach customers to receive the full benefits of detailed information on their electricity use in <em>My Account</em> and smart meters.</td>
<td>2013 – Available upon request. 7-10 business days.</td>
<td>All</td>
</tr>
<tr>
<td><strong>Customer Info Handouts/In person event materials</strong></td>
<td>Includes brochure, FAQ, magnet notification of PESC and how it works. Brochure and FAQ will be available in Spanish as stated on these materials. EWR language will be incorporated into these materials.</td>
<td>To give to customers at community outreach events</td>
<td>2013</td>
<td>All</td>
</tr>
<tr>
<td><strong>Advertising</strong></td>
<td>Mass media will be focused on how customers can reduce their electricity bill this summer and what they specifically need to do</td>
<td>Builds awareness of PESC benefits. Media includes print, TV, radio, online advertising, and possibly transit advertising.</td>
<td>2013</td>
<td>All except limited access to the internet, do not listen to radio or TV, non-English speaking</td>
</tr>
</tbody>
</table>
to participate in the program including how to select preferences and tips to reduce their usage during a Peak Energy Saving Day. This is part of the “take control” theme encouraging more proactive participation by customers.

<table>
<thead>
<tr>
<th>Community Outreach Meetings</th>
<th>Present information on PESC and benefits.</th>
<th>Proactive education of customers, increase awareness especially among hard-to-reach customers. List of customers included in addendum of this document.</th>
<th>2013</th>
<th>All</th>
</tr>
</thead>
</table>

| Stakeholder Communication | Letter to Stakeholders at start of campaign to inform of the benefit of PESC. Each stakeholder will receive the same letter. | To keep the Stakeholders updated on the status and progress of PESC and benefits to customers and raise awareness of the credit and tools available via pepco.com | 2013 | All |

**Messaging Strategies and Tactics for Vulnerable Customers**

As indicated in the AMI section of this plan, Pepco Maryland has spent a great deal of effort trying to understand its diverse customer base. With data collected from a comprehensive segmentation study as well as lessons learned from the phase-in and other AMI related programs, Pepco Maryland is committed to serving all of its customers. This plan incorporates a multi-channel approach that addresses this need.

Pepco Maryland will reach out to customers who are typically more difficult to reach, including seniors, the disabled or medically frail, non-English speaking, and low-income customers through a wide variety of channels as discussed in the tactics. Vulnerable customers and caretakers will receive targeted messaging through both written communications and community outreach. Additional channels as suggested by stakeholders will considered and used as needed. Messages will be sent to the Working Group for review.

Pepco will focus on targeted advertising which has proven effective as a means of communicating to some of these parties. Specifically, Pepco Maryland does Spanish translations and traditionally uses Spanish publications to reach non-English speaking customers. Pepco Maryland also includes in its media mix, print publications targeting seniors.
Cable advertising and online advertising both provide the ability to geo-target\(^8\) specific demographics in an advertising market that is shared with the District of Columbia. This ensures that Pepco Maryland is reaching its customers specifically. Furthermore, paid online advertising gives Pepco Maryland the availability to buy “real estate” on affiliated websites and third party newsletters where and when available.

By implementing a strong community outreach program that consists of community and agency partnerships, Pepco Maryland can actively go into the community with hands-on education programs. Targets will include churches, health departments, senior centers, public schools, and housing authorities in Prince George’s County and Montgomery County that provide information on open houses, community meetings/fairs, family day events, etc. At these events, face-to-face presentations can be made, and/or information can be distributed about the benefits of smart meters and *My Account*. Information can also be provided for common areas such as waiting rooms and lobbies.

Some materials will also be available in Spanish. See a List of Agencies in Appendix F; however others may be included as identified.

**The Importance of Advertising**

While Pepco Maryland could not incorporate advertising into the phase-in because it was a limited customer base, Pepco Maryland is adding advertising as a proposed component of this plan due to the densely populated service territory and large-scale nature of the roll-out. This method of communication is a way to provide multiple points of contact to reach a broad audience as well as channels to reach specific audiences.

Advertising has proven an effective tactic in other jurisdictions, for example in the Delaware AMI rollout campaigns. It offers a range of channels such as radio, television, internet, print and transit advertisements used to reach a variety of customers with varied media interests to encourage enrolling and accessing *My Account*.

In addition to the use of specific channels to reach broad audiences, advertising is an effective method for communicating with hard to reach audiences. The diversity of channels available for advertising enables a broader reach for specific audiences.

---

\(^8\) Geo-targeting is a term used in connection with internet and mobile (cell phone) advertising. Geo-targeting is a feature that large websites usually have that allows them to have advertisements appear only to people in a specific geographic area. As an example, advertisers are able to supply the website in which they placing advertisements, with lists of all zip codes in a designated area and people with IP addresses in those areas will be the only people to see the advertisements. Geo-targeting it is an important tool that avoids wasted visibility, so only people within the utility’s jurisdiction, will see the advertisements.
This method of communication is also a way to provide multiple points of contact to reach a broad audience as well as channels to reach specific audiences. The integrated program includes online, print, television, radio, and possibly transit. Further details are discussed in the plan. Customer research indicates that multiple communication points are needed to reinforce awareness.

The full media plan will be shared with the Working Group when the plan is finalized, as it depends on budget and availability. Specific media outlets cannot be finalized until the plan is approved. A shorter timeframe for purchase of specific media means that some media outlets may no longer be available. Once the plan is approved, Pepco will be able to finalize the media buys and will send information on the ad placements.

Pepco Maryland serves a majority of the households in Montgomery County and Prince George's County, Maryland. In order for the campaign to be effective, the campaign requires a program that will reach customers in each county, and will have enough message frequency to generate impact and action.

This public education campaign requires a broad use of paid media to ensure coverage of not only the mass market, but individual groups that should have specialized attention: different ethnic groups where English is not often used at home, people aged 75+ still living independently, etc.

Through its AMI deployments in both Delaware and the District of Columbia, Delmarva Power and Pepco have seen that proactive mass communications activities around both meter deployment and related energy management tools will increase awareness of energy management tools and increase understanding of smart meters. A multi-channel mass communications effort ensures that Pepco will reach the different segments within the Maryland customer base.

Because the timeframe for action on a Peak Savings day is limited, customers need information on how to respond before the actual event takes place. Pepco Maryland plans to use a variety of channels and tailor the messaging in order to provide relevant information to customers across all segments.

**VII. Metrics and Evaluation**

Qualitative and quantitative results will be tracked and evaluated throughout the rollout of the smart meter benefits and programs. Education tactics will be evaluated, continued or modified as needed.

Below are metrics proposed by the AMI Working Group for Phase II Campaign 3. These metrics will remain the same for Campaign 4; however, additional surveys and focus groups will be added.
<table>
<thead>
<tr>
<th>Balance Scorecard Section</th>
<th>Metric Category</th>
<th>Key Metric</th>
<th>Definition</th>
<th>Calculation – Pepco</th>
<th>Metric Available PHI</th>
<th>PSC Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications &amp; Education</td>
<td>Cases</td>
<td>Count of official complaints filed with the Public Service Commission regarding Smart Meters or Dynamic Pricing.</td>
<td>Count of official complaints filed with the Public Service Commission regarding Smart Meters or Dynamic Pricing.</td>
<td>Count of official complaints filed with the Public Service Commission regarding Smart Meters or Dynamic Pricing. **</td>
<td>Q4 2012</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Communications &amp; Education</td>
<td>Customer Engagement</td>
<td>Number of customers who have accessed the web based electricity management tool.</td>
<td>Number of customers who have accessed the web based electricity management tool.</td>
<td>Sum of new and returning residential and commercial visitors (&quot;unique visitors&quot;) that have viewed data via the web based electricity management tool. ** Note:** A new and returning visitor or &quot;unique visitor&quot; is a specific client who has accessed a website one or more times during the reporting period. This will only include customers who logged into the web based electricity management tool.</td>
<td>Q4 2012</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Communications &amp; Education</td>
<td>Customer Engagement</td>
<td>Number of accounts that have enrolled in the web based electricity management tool.</td>
<td>Number of accounts that have enrolled in the web based electricity management tool.</td>
<td>Number of unique residential and commercial customers that enrolled in the web based electricity management tool.</td>
<td>Q4 2012</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Communications &amp; Education</td>
<td>Customer Engagement</td>
<td>Number of accounts that were sent a Usage / Energy Alert or report.</td>
<td>Number of accounts that were sent a Usage / Energy Alert or report.</td>
<td>Number of residential and commercial accounts that were sent a Usage / Energy Alert or Report. ** Note:** PEPCO will have electronic reports and Opower reports which compare customers’ usage to other customers with a similar usage profile. Summary reports will be disaggregated and examined in greater detail as part of the communications plan.</td>
<td>Q3 2013</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Communications &amp; Education</td>
<td>Customer Engagement</td>
<td>Number of accounts that were sent a Dynamic Pricing Alert for all events. (Automated Alerts Only for both Companies)</td>
<td>Number of accounts that were sent a Dynamic Pricing Alert per event for all events.</td>
<td>Number of residential and commercial accounts that were sent a Dynamic Pricing Alert per event for all events.</td>
<td>Q3 2013</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Communications &amp; Education</td>
<td>Customer Engagement</td>
<td>Average time spent on the web based management tool per customer.</td>
<td>Average time spent on the web based management tool per customer. ** Note:** Distribution can be provided as needed or annually. Both companies are still working out details with web portal vendors. Customer count for this average will come from key metrics titled &quot;Number of accounts that have enrolled in the web based electricity management tool.&quot;</td>
<td>Average duration of visits to view interval data via the web based electricity management tool.</td>
<td>Q4 2012</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Communications &amp; Education</td>
<td>Customer Engagement</td>
<td>Number of Web based management tool logins.</td>
<td>Number of logins to web based management tool. ** Note:** Distribution can be provided as needed or annually. Both companies are still working out details with web portal vendors.</td>
<td>Count of total logins to the web based electricity management tool.</td>
<td>Q4 2012</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>
VIII. Program Cost Forecasts

This section of the plan offers up proposed budgets to implement the Customer Education Plan for Phase II.

The proposed Customer Education Plan is designed to build on the customer education work conducted to date in support of AMI programs. The costs associated with the DSM customer education work are captured separately in the EmPOWER Maryland program budget. The forecasted costs associated with planning and implementing the proposed Customer Education Plan for Campaigns 3 and 4 are broken out below.

Below is Pepco Maryland’s forecast of the incremental costs necessary to implement this Customer Education Plan. The Maryland AMI Working Group that has been involved in preparing this plan is aware of these cost forecasts, but takes no position on their reasonableness or appropriateness. Any cost recovery issues related to this program would be included in the evaluation of a future Pepco Maryland revenue requirement proceeding.

<table>
<thead>
<tr>
<th>AMI Campaign 3 Customer Education Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
</tr>
<tr>
<td>---------------</td>
</tr>
<tr>
<td>1. Stakeholder Collaboration – Meetings with key stakeholders</td>
</tr>
<tr>
<td>2. Elected Official Outreach – Meetings with various officials</td>
</tr>
<tr>
<td>3. Mass Communications</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Activity Description</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Bill Inserts/LINES</td>
</tr>
<tr>
<td>E-blasts</td>
</tr>
<tr>
<td><strong>Radio Advertising (Note: Second column represents DOE funding)</strong></td>
</tr>
<tr>
<td>Advertising: Print, Online, Transit, Billboards, Television. Final media plan</td>
</tr>
<tr>
<td>developed in conjunction with outside vendor and will be shared with the Working Group.</td>
</tr>
<tr>
<td>1-855-New-Meter</td>
</tr>
</tbody>
</table>

**4. Public Relations – Various Channels**

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local and industry news media</td>
<td></td>
</tr>
<tr>
<td>Public Relations</td>
<td>$5,000</td>
</tr>
<tr>
<td>Crisis Communications Plan; Opt-out Communications</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

**5. Community Partnership – Local community groups and partnerships**

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community groups, nonprofits, agencies, homeowner associations, civic groups,</td>
<td></td>
</tr>
<tr>
<td>community advisory groups</td>
<td></td>
</tr>
<tr>
<td>Outreach</td>
<td></td>
</tr>
<tr>
<td>Sponsorship/Materials</td>
<td>$44,000</td>
</tr>
</tbody>
</table>

**6. Expert Consultations - various**

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers and key contacts with highly technical questions</td>
<td></td>
</tr>
<tr>
<td>Fact Sheets, Handouts</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

**7. Employee Engagement and Training**

<table>
<thead>
<tr>
<th>Activity Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees of Pepco and PHI, especially call center representatives and employee-</td>
<td></td>
</tr>
<tr>
<td>customers</td>
<td></td>
</tr>
<tr>
<td>Employee Engagement -- Retiree Newsletter, Posters, PHI News articles, intranet,</td>
<td>$10,000</td>
</tr>
<tr>
<td>emails</td>
<td></td>
</tr>
</tbody>
</table>
## 8. All Strategies

<table>
<thead>
<tr>
<th>All audiences listed above</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing Manager and Staff</strong></td>
</tr>
<tr>
<td><strong>Market Research -- AMI Tracking Study (4 waves) + Segmentation Study</strong></td>
</tr>
<tr>
<td><strong>Marketing Firm- Creative Services</strong></td>
</tr>
<tr>
<td><strong>Website Updates</strong></td>
</tr>
<tr>
<td><strong>Videos</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
<tr>
<td><strong>Note:</strong> The cost included for Customer Education is within the cost projected in the most recent Business Case December 2010.</td>
</tr>
</tbody>
</table>
## 2013 Dynamic Pricing Customer Education – Tactical Plan and Budget

**Pepco MD**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Target Audience</th>
<th>Tactic/Communication Tool</th>
<th>Budget</th>
<th>DOE Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stakeholder Collaboration</td>
<td>Maryland Public Service Commissioners and staff; Public Advocates, Government Agencies, BGE</td>
<td>Meeting Handouts</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>2. Elected Official Mailings/Fact Sheets</td>
<td>Local, county, state and federal</td>
<td>Mailings</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>3. Mass Communications</td>
<td>533,000 Customers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer Toolkit: Brochure, FAQ, and Magnet</td>
<td></td>
<td>$450,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>E-Marketing</td>
<td></td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bill Inserts</td>
<td></td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Direct Mail (Brochures and Postcards)</td>
<td></td>
<td>$420,000</td>
<td>$386,280</td>
</tr>
<tr>
<td></td>
<td>Mass Media/Advertising</td>
<td></td>
<td>$450,000</td>
<td>$240,000</td>
</tr>
<tr>
<td>4. Public Relations</td>
<td>Local and industry news media</td>
<td>PR</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>5. Community Partnership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community groups, nonprofits</strong></td>
<td></td>
<td></td>
<td><strong>$40,000</strong></td>
<td></td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>6. Expert Consultations (Energy Advisors)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers and Key contacts with</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fact Sheets, Handouts (Customized from mailing materials if needed)</td>
<td></td>
<td></td>
<td><strong>$1,000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>7. Employee Engagement and Training</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All employees of Pepco and PHI, especially call center representatives and employee customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Engagement – Retiree Newsletter, Posters, PHI News employee training</td>
<td></td>
<td></td>
<td><strong>$5,000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>8. All Strategies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All audiences listed above</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Research – Focus Groups</td>
<td></td>
<td></td>
<td><strong>$100,000</strong></td>
<td></td>
</tr>
<tr>
<td>Marketing Firm- Creative Services</td>
<td></td>
<td></td>
<td><strong>$100,000</strong></td>
<td></td>
</tr>
<tr>
<td>Website Updates</td>
<td></td>
<td></td>
<td><strong>$23,000</strong></td>
<td></td>
</tr>
<tr>
<td>Videos</td>
<td></td>
<td></td>
<td><strong>$23,000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Campaign #4</strong></td>
<td></td>
<td></td>
<td><strong>$1,634,000</strong> <strong>$626,280</strong></td>
<td></td>
</tr>
</tbody>
</table>
Appendices

- Appendix A: Draft Press Release – Maryland AMI Phase II
- Appendix B: Draft Stakeholder Letter – Maryland AMI Phase II
- Appendix C: Customer Meter Letters with Opt-out Language – Maryland AMI Phase II
- Appendix D: Customer Communications – Maryland AMI Phase II
  - Bill Insert
  - Lines Article
  - Direct Mail, Customer Newsletter
  - Direct Mail, Postcard
  - E-Blast
  - Screenshot of Takecontrolmaryland.com
  - Take Control Brochure
- Appendix E: Advertisements
  - Radio Script, Public Service Announcement
  - Print Advertisement
- Appendix F: Target Agencies and Audiences
- Appendix G: Stakeholder Letter – Maryland Peak Energy Savings Credit (PESC)
- Appendix H: Customer Communications – Maryland PESC
  - Bill Insert
  - Postcard
  - Customer Toolkit, including brochure, envelope, and magnet
  - E-Blast
  - Screenshot of Takecontrolmaryland.com/pesc
  - Frequently Asked Questions
- Appendix I: Summary of Research Phase I
- Appendix J: Screenshot of energy use information available to customers who call in and speak with a representative
- Appendix K: Summary of Success of Advertising in other Jurisdictions
- Appendix L: -Maryland Dynamic Pricing Phase-In Report
- Appendix M: Lessons Learned Peak Energy Savings Credit Phase-in
- Appendix N: Opt-out Talking Points for the Call Center
Appendix A: Draft Press Release – Maryland AMI Phase II

Pepco Launches Customer Education Campaign on Smart Meter Benefits

WASHINGTON, D.C. – With smart meters now installed for nearly all of its customers in Maryland, Pepco has launched Phase II of its Customer Education campaign to highlight the benefits of the new technology. With the smart meter technology in place, Pepco will offer customers benefits that include:

- Wireless meter reading and fewer estimated bills
- Detailed information on energy use
- Enhanced outage detection and service restoration
- Remote connect and disconnect for move-in, move-out and new-service requests.

Smart meters are digital meters that record energy usage in hourly increments. The meter and the communication system allow for two-way communication between Pepco and the meters. The energy usage information that is collected by Pepco is then made available to customers and will enable them to take control and manage their energy more efficiently.

Customers with activated meters and who enroll in My Account, Pepco’s online energy management tool, will be able to view their detailed energy use data and learn about how and when they use energy. As part of the campaign, Pepco will encourage customers to sign up for My Account at www.takecontrolmaryland.com by clicking on “Sign Up” in the “Take Control of Your Energy” section at the bottom of the page. After registering on the site and answering a few simple questions, the tool will walk customers through a process to create a personalized energy profile and help them learn more about their energy use and how to conserve. The Take Control Maryland website is an easy-to-use informational website dedicated to smart meter awareness. In addition to the information on smart meters, the website also provides energy savings information and conservation tips.

Customer energy use data is also available to Pepco’s Customer Care representatives so they can answer detailed questions from customers by phone. Customers with activated meters were sent a newsletter in the mail announcing that their smart meter was installed and activated and they could begin receiving detailed information about their energy use through My Account.

“We are pleased to offer customers energy information from the new smart meters that will give them
the tools to help take control of their energy use and target ways to save,” said Thomas H. Graham, President, Pepco Region.

For further information about smart meters, customers can speak to a Pepco customer care representative at 1-855-NEW-METER (1-855-639-6383).
Appendix B: Stakeholder Letter – Maryland AMI Phase II

Thomas H. Graham
President
Pepco Region

Month 201X

Re: Pepco’s Activation of New Benefits for Customers

Dear [NAME]:

I am pleased to announce that Pepco will be offering customers in Maryland new benefits as a result of the installation of the new smart meters and the wireless communication system. We have installed _______ new meters to date and expect to complete the installation of this new system by _______. After we install the new meters, we will test them and make sure they are integrated with our billing system. We call this “activation” and we have activated _______ meters to date and will complete that process by ____________ for all our Maryland customers.

After smart meter technology is in place and we have activated the meters, Pepco customers will enjoy the following new benefits:

- We can read the meter with the new communication system and avoid physical visits to read the meter. This will reduce the number of estimated bills and complaints about the meter reading process and associated errors.
- We can detect whether power is on or off at the meter and this will help serve customers better during outages.
- We can more efficiently turn off and turn on the meter at the request of the customer to make moving and establishing new service more efficient and timely.
- We can provide all our customers with more detailed hourly electricity usage information and help customers understand their electricity usage patterns and bill impacts.
- Starting in the summer of 2013, all customers with activated smart meters can participate in the PESC Program. This program will provide a credit to customers who reduce their usage during specific Peak Savings Days that we will announce in advance.

In addition, we will be encouraging customers to take a more proactive role in managing their electricity use. Once smart meters are activated, customers will receive information about new tools on My Account that provides detailed electricity use information. Daily, weekly and monthly electricity use information and a new Bill to Date feature offer customers an opportunity to understand their electricity usage in more detail and take steps to impact their monthly bill.

We will be informing customers of these benefits through direct mail and on our website. We will also be launching a widespread education campaign in the summer of 2013 to
continue to increase awareness and educate customers of smart meter benefits.

Your leadership and continued support for this important effort continues to be appreciated. Should you have any questions or concerns, please do not hesitate to contact Jerry Pasternak, Maryland Region Vice President, at (202) 872-2524.

Sincerely,

Thomas H. Graham
President, Pepco Region
Appendix C: Customer Meter Letters with Opt-out Language – Maryland AMI Phase II

Exchange Confirmation

Current Date

Customer Name
Customer Address

Dear (insert customer name):

We have received your request to opt-out of a smart meter installation. In accordance with the Maryland Public Service Commission’s interim order, the smart meter was replaced with a meter that is not a smart meter on <insert date of replacement>. This meter will remain until further direction has been received from the Maryland Public Service Commission.

If you have any additional questions or concerns, please do not hesitate to contact me at the above referenced telephone number. You are a valued customer and we appreciate the opportunity to continue to serve you.

Sincerely,

[CONTACT NAME]
Dear (insert customer name):

We have received your request to opt-out of a smart meter installation. In accordance with the Maryland Public Service Commission’s interim order allowing customers to opt out of the smart meter installation, we will suspend installation of the smart meter until further direction has been received from the Maryland Public Service Commission. If you have any additional questions or concerns, please do not hesitate to contact me at the above referenced telephone number. You are a valued customer and we appreciate the opportunity to continue to serve you.

Sincerely,

[CONTACT NAME]
Appendix D: Customer Communications – Maryland AMI Phase II

- Sample Bill Insert – Front

![Sample Bill Insert – Front](image1)

- Sample Bill Insert – Back

NEW FEATURES NOW AVAILABLE ON MY ACCOUNT

New features on My Account are now available to help you better understand how and when you use energy and how your bill is calculated. Visit pepco.com today and log on to My Account to find:

- A graph that compares your energy use to previous days and weeks
- A “Bill to Date” summary that provides an up-to-date look at your energy use and your bill at any time during the month
- A graph that shows you how your home uses energy

If you do not have access to a computer, you can call our Smart Meter Information line at 1-866-NOW-METER (1-866-669-6837) and ask to speak with a representative who can provide this information to you over the phone or by mail.

Learn more at takecontrolimaryland.com
Pepco Launches Smart Meter Customer Education Campaign in Maryland

With smart meters now being actively installed for nearly all of its customers in Montgomery and Prince George’s Counties, Pepco has launched a Customer Education campaign to highlight the benefits of the new technology. With the smart meter technology in place, Pepco will offer customers benefits that include:

- Wireless meter reading and fewer estimated bills
- Detailed information on energy use
- Enhanced outage detection and service restoration
- Remote connect and disconnect for move-in, move-out and new-service requests

Smart meters are digital meters that record energy use in hourly increments. The meter and the communication system allow for two-way communication between Pepco and the meters. The energy use information that is collected by Pepco is then made available to customers, and will enable them to take control and manage their energy use more efficiently.

Once these meters are activated, customers with activated meters who are enrolled in My Account will be able to view their energy use in detail, helping them better understand how and when they use electricity. As part of the campaign, Pepco is encouraging customers to sign up for My Account at www.pepco.com.

Pepco has also launched the www.takecontrolmaryland.com website as an easy-to-use informational website dedicated to smart meter awareness. In addition to the information on smart meters, the website also provides energy savings information and conservation tips.

Customer energy use data is also available to Pepco’s Smart Meter Information line representatives so they are able to answer detailed questions from customers by phone. Customers with activated meters are sent a newsletter in the mail announcing their smart meter installation and activation.

“We are pleased to offer customers energy use information from the new smart meters that will give customers the tools to help take control of their energy use and target ways to save,” said Thomas H. Graham, President, Pepco Region.

For more information about smart meters, customers can visit www.takecontrolmaryland.com or call a representative at Pepco’s Smart Meter Information line at 1-855-NEW-METER (1-855-639-6383).
Direct Mail, Customer Newsletter – Outside

Direct Mail, Customer Newsletter – Inside
- Direct Mail, Postcard – Front

- Direct Mail, Postcard – Back
TAKE CONTROL OF YOUR ENERGY USE WITH NEW FEATURES ON MY ACCOUNT

Dear CUSTOMER NAME,

Now that you have your new smart meter, you can take full advantage of new features on My Account that will help you take control of your energy use. Here are some examples of the features you will find on My Account:

How does my home use energy?

An updated graph that provides detailed information on how you use energy in your home.

How does my home compare?

This graph shows your energy use compared to similar homes in your neighborhood.

Bill to Date BillTracker

A new 'Bill to Date' snapshot will tell you what your current bill is at any given time during the month. It will also project your final monthly payment based on current energy use.

You can now view your energy use in an hourly, daily, weekly, or monthly basis. Simply select this graph on My Account and select your preferred time frame to review.

START USING THE NEW MY ACCOUNT FEATURES TODAY

SIGN UP FOR MY ACCOUNT

Your smart meter data is available online through My Account, your personalized, easy-to-use online energy services tool. My Account offers a number of features, including:
- Detailed Energy Use
- Bill to Date Information
- View and Pay Your Bill

HELPFUL TIPS:
- Before going online, please have a copy of your last Pepco bill.
- Open your Internet browser and click on “First Time users.”
- Fill out the profile information.
- When your profile is complete, your personalized information will appear.

Learn more at takemycustomermaryland.com

BE SMART ABOUT YOUR HOME ENERGY USE

With the data from your new smart meter, you can make more informed decisions about how and when you use energy. Here are some helpful tips for reducing your energy use throughout the month:

- Close the door with an air seal and turn off lights when not using.
- Turn off an unnecessary faucet.
- Lower windows for fresh air on hot summer days.
- Close your Account when you are not using.

If you need help finding or reviewing these new graphs on My Account, call our Smart Meter Information line at 1-855-NEW-METER (1-855-639-6383) between the hours of 7:00 a.m. and 6:00 p.m. Monday through Friday.

Learn more at takemycustomermaryland.com

E-Blast
Screenshot of Takecontroldelmar.com
Appendix E: Advertisements

- Radio Script, Public Service Announcement

Pepco Maryland Smart Meter

Radio PSA Script

Did you know that Pepco is now offering new tools to help you take better control of your energy use?

Just log on to My Account on pepco.com and click on “Energy Use and Bill Data.” There you will find new daily, weekly and monthly energy use graphs that show you in detail how and when you use energy.

Our new Bill to Date feature lets you know what your bill is at any day during the month so you can take better control of your monthly bill.

If you have not signed up for My Account, simply log on to pepco.com and look for the “Customer Self Service” box and click on first time users.

If you do not have access to a computer, you can still take advantage of this new energy use information available. Simply call 1-855-New Meter (that’s 1-855-639-6383) and one of our customer service representatives can provide this information for you over the phone or by mail.

Sign up for My Account today at pepco.com

Pepco. Your life plugged in.
Print Advertisement
Appendix F: Target Agencies and Audiences

**Smart Meter Community Outreach Sample Target Agencies and Audiences**

*This list reflects Maryland Work Group input*

Pepco plans to communicate to customers about the benefits of smart meters and new tools to manage energy use by conducting outreach to community constituencies and partnering with external allies. The Company will continue to partner with a diverse group of organizations. A sample of the organizations that we would target is listed below.

<table>
<thead>
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<th><strong>Government</strong></th>
<th><strong>Seniors</strong></th>
<th><strong>Business</strong></th>
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<tr>
<td>Montgomery County Council/Executive</td>
<td>Leisure World</td>
<td>Montgomery County Chamber of Commerce</td>
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<td>Metropolitan COG</td>
<td>The OWLs</td>
<td>Montgomery County Department of Economic Development</td>
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<td>Maryland Association of Counties</td>
<td>Montgomery County Office on Aging</td>
<td>Prince George’s County Chamber of Commerce</td>
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<td>City of Rockville</td>
<td>Top Banana</td>
<td>Prince George’s County Economic Development Corporation</td>
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<td>Montgomery County Department of Housing and Community Affairs</td>
<td>Montgomery County Office of Community Partnerships</td>
<td>Prince George’s County Department of Family Services</td>
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<td>Montgomery County Department of Environmental Protection</td>
<td>Montgomery County Office of Community Partnerships</td>
<td>Prince George’s County Council/Executive</td>
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<td>Montgomery County Office of Community Partnerships</td>
<td>Montgomery County Department of Human Resources</td>
<td>Maryland Municipal League</td>
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<td>Montgomery County Department of Human Resources</td>
<td>Montgomery County Department of Human Resources</td>
<td>City of Seat Pleasant</td>
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<td>Prince George’s County Department of Social Services</td>
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<td>Montgomery County Office of Consumer Protection</td>
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<td>Top Banana</td>
<td>Area Agencies on Aging and Meals on Wheels Program</td>
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**Low-Income**
Interfaith Works
Gapbusters
FEMA Board for Access to Red Cross

**Homeowner/Civic**
Montgomery County Civic Federation
Westphalia Civic Association
Glen Ridge Citizen Association

**Minority**
NAACP
Prince George’s Black Chamber
Mid-Atlantic Hispanic Chamber of Commerce
TESS Community Center

**Faith-Based**
Community Ministries
St. Camillus Church
Hadasha Group at Leisure World

**Energy Organizations**
Alliance to Save Energy
Bethesda Green
Sierra Club
Montgomery County Sustainability Group
Maryland Clean Energy Center
Appendix G: Stakeholder Letter– Maryland Peak Energy Savings Credit (PESC)

[ADDRESS]

Month Day, 201X

Re:  *Introducing Pepco’s Peak Energy Savings Credit*

Dear [NAME]:

As we approach the summer of 2013, Pepco is continuing to install electric smart meters throughout our Pepco Maryland service territory. After smart meter technology is in place, Pepco customers will enjoy the following benefits:

- Over-the-air meter readings and fewer estimated bills
- Enhanced outage detection
- Hourly energy use information to help customers understand their electricity usage
- A new opportunity for residential customers to receive bill credits by reducing energy use during high load periods

Pepco is going to introduce an important new residential customer benefit program during the summer of 2013. Under the Peak Energy Savings Credit, customers can earn credits on their monthly bills by reducing their energy use between certain hours on Peak Savings Days designated by the Company. Those customers who voluntarily reduce their electricity use during this time, when the demand and market price of power are especially high, can earn money back on their monthly electricity bills. We will be sending customers materials explaining the program and how it will work.

Pepco’s Peak Energy Savings Credit will reward customers who choose to reduce their electricity consumption between certain hours on costly summer days with savings on their electric bill. Additionally, Pepco’s current Energy Wise Rewards program will automatically reduce air conditioning energy use for customers who sign up, making saving energy during

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10 On January 7, 2013, the Maryland Public Service Commission issued Order No. 85294 stating that, effective immediately the May 25, 2012 Interim Order on Opt-Out will remain in effect:

> Until such time as the Commission issues its final decision on these issues, the utilities [Pepco, BGE and Delmarva Power] shall refrain from installing a smart meter in the home or business of any customer who notifies the utility in writing that they do not wish to have a smart meter installed, and for those customers that inform their utility in writing that they have already received a smart meter but do not wish to have one, the utility shall refrain from activating those customers’ smart meter transmitters until such time as the Commission issues its final decision on these issues.
Peak Savings Days easy.

The Peak Energy Savings Credit and Energy Wise Rewards will work together to contribute to meeting Maryland’s goal for reducing energy use by 15 percent by the year 2015. Pepco is excited to offer these opportunities and we look forward to working with our customers to address how they can better manage their energy consumption, potentially lower their bill, and contribute to reducing energy use during times when electricity is costly.

In closing, please be assured that participation in these initiatives is voluntary. If a customer does nothing, there will be no difference in the way their bill is calculated and there is no increase in cost. If you have any questions or concerns, please feel free to contact Jerry Pastemak, MD Region Vice President, Government Affairs at (202) 872-2524.

Sincerely,

Thomas H. Graham
President Pepco Region
Appendix H: Customer Communications – Maryland PESC

Note: PESC Materials are in the process of being reviewed by the Working Group for the 2013 season

EWR/PESC Combined Brochure: Option 1 – Outside

EWR/PESC Combined Brochure: Option 1 – Inside
EWR/PESC Combined Brochure: Option 2: Outside

EWR/PESC Combined Brochure: Option 2: Inside
**PESC Brochure (with EWR Mention) – Outside**

**PESC Brochure (with EWR Mention) – Inside**
EWR/PESC Envelope

PESC Magnet
E-Blast
- Screenshot of Takecontrolmaryland.com/pesc
INTRODUCING PEPCO'S
PEAK ENERGY SAVINGS CREDIT

Pepco's Peak Energy Savings Credit
Frequently Asked Questions (FAQ)

What is Pepco's Peak Energy Savings Credit?
Pepco's Peak Energy Savings Credit encourages you to reduce electricity use on Peak Savings Days, which generally coincide with the hottest days of summer. Pepco is offering you an opportunity to earn a credit on your bill when you reduce your energy use during designated hours that usually occur between 12 p.m. and 6 p.m. on Peak Savings Days.

What is a Peak Energy Savings Bill Credit?
A Peak Energy Savings bill credit is a dollar savings amount noted on your bill. You will receive a $1.25 credit for every kWh you reduce your energy use under your baseline. For example, if you reduce your energy use by 2 kWh during a Peak Savings Day, you will receive a credit of $2.50. You will see this credit online through My Account and on your next monthly bill.

What is a Peak Savings Day?
Peak Savings Days are the days on which you can earn a credit on your bill for reducing energy use. They coincide with the days of the year when energy demand is the highest and most expensive. Pepco will notify you in advance of Peak Savings Days throughout the summer.

How Does it Work?
Your energy use can change daily, so you'll have a specific baseline for each Peak Savings Day. This baseline is the energy use level you need to be under during the Peak Savings Day to be eligible for a credit on your bill. When Pepco notifies you of a Peak Savings Day, lower your energy use during that time frame.

When you are logged on to My Account, you will be able to select how you want to receive your notification of Peak Savings Days — by phone, email or text.

If you are not signed up for My Account, please feel free to call Pepco’s Smart Meter Information line at XXX-XXX-XXXX (XXX-XXX-XXX) and ask a representative for your Peak Energy Savings baseline.

The more you reduce your energy use below the baseline during a Peak Savings Day, the larger your credit will be on your next bill. Reducing energy use can be as easy as lowering the blinds, raising the temperature on your thermostat (while making sure you stay comfortable), turning off lights and electronics, or delaying the use of major appliances, such as the dishwasher and washing machine. You can learn more helpful tips at takecontrolmaryland.com, pepco.com or please feel free to speak to a representative at Pepco’s Smart Meter Information line at XXX-XXX-XXXX (XXX-XXX-XXX).

Can I participate in Pepco's Peak Energy Savings Credit and Energy Wise Rewards program at the same time?
Yes, you will receive your Energy Wise Rewards credit automatically since Pepco will reduce your air conditioner energy use for you. If you reduce your energy use even more, you may have the opportunity to receive additional savings through the Peak Energy Savings Credit. Learn more about Energy Wise Rewards or sign up at pepco.com/rewards or call 1-888-333-5798. For more information or to see an example of how Energy Wise Rewards works with the Peak Energy Savings Credit, visit takecontrolmaryland.com/pasc or call XXX-XXX-XXXX (XXX-XXX-XXX) and ask to speak with an Energy Advisor.

For more information visit takecontrolmaryland.com/pasc
Frequently Asked Questions – Back
Appendix I: Summary of Research Phase I

Market Research with Maryland Customers Related to smart meter tools and communications, and Dynamic Pricing in 2011/2012

PESC Postcard Design Evaluation: Customer Insights Panel: (Spring 2012)

Objectives:
- Investigate design preferences and test wording for PESC postcard designs
- Use customer feedback to enhance recall and understanding of PESC

Methodology:
- Email invitation to participate in online survey conducted with Maryland customers who opted in to participate in Pepco’s Customer Insights Panel
- 545 survey responses received

Key Findings:
- Customers preferred the bill and sun postcard designs over the lamp and chart designs. These two designs outperformed all other postcards on the statements:
  - I would read all of the information on this postcard
  - The postcard conveys a benefit to me
  - I want to learn more about the program
  - The postcard grabs my attention
- For each of the designs, themes emerged regarding well-received elements.
  
Bill Postcard:
  - the illustration and tagline grabbed attention
  - the cartoon and the “slimming down” message was appealing
  - the message of saving money on their bill was clear

Sun Postcard:
  - Graphics were simple, positive and appealing.
  - The sun grabbed customers’ attention and reminded them of summer, which helped deliver the message.
  - The wording was succinct and to the point.

Lamp Postcard:
  - Customers liked that the image of the lamp clearly demonstrated how their choices can result in saving energy and money.
  - Many called out “savings” and “credit” as being of particular interest.

Chart Postcard:
  - Some customers appreciated the graphic representation of peak energy usage.
  - They said it made them interested in learning more about the program.
Customers preferred less text on the postcard, with short paragraphs and bullet points

Customers are focused on the cost savings benefit of PESC

On the back of the postcards, customers liked the clear, step-by-step instructions and appreciated that they would ultimately have control over their own savings and energy usage on Peak Savings days.

There was some confusion over steps to participate in the program

**Smart Meter Awareness Tracking Research (quarterly)**

**Objectives:**

- Gain an understanding of customer perceptions of smart meters and how those perceptions change over time.
- Measure customer awareness of customer education materials
- Identify any concerns that customers may have about smart meters
- Identify differences between customers who have smart meters installed and those who do not

**Methodology:**

- Telephone interviews are conducted with 300 Maryland customers on a quarterly basis, using a random sample of customers identified in the following groups:
  - The sample includes 150 customers with smart meters installed, and
  - 150 customers who do not have smart meters installed.

**Key Findings:**

- In the sixth wave of research customers are significantly more likely to indicate they have a basic understanding of Smart Grid than in the baseline measure and Wave V (27% versus 17% and 20% respectively).
- In the sixth wave of research those without smart meters are more likely to have a basic understanding of Smart Grids and less likely to indicate they ‘don’t know’ than in previous waves. In the sixth wave, only 3% of customers without smart meters indicated they did not know their familiarity with Smart Grids versus 12% in the baseline measure. Also, 31% of customers without smart meters indicate they have a basic understanding of Smart Grids versus 17% in the baseline measure.
- Nearly three-fourths of customers (74%) have heard of the term smart meter.
  - Customers in Wave VI are significantly more likely than those in the baseline measure to have a basic understanding of smart meters (33% with a basic understanding versus 24% respectively).
- Awareness of smart meter installations by Pepco is increasing, from 42% in the baseline, to 51% in the most recent survey. However, half of the customer sample consists of customers who have not received meter installation letters.
• Three-fourths (72%) of customers recall receiving a letter prior to the installation of their smart meter. The letter may have been opened by others in a household, or ignored by respondents, given that every respondent had been sent a letter.

• The majority of customers (70%) indicated they were satisfied with the installation process of their new smart meter. 16% are neutral, and only 14% are dissatisfied. Reasons for dissatisfaction include concerns about the meter working properly (13%) and a desire for more information in general (13%).

• Customers typically think that smart meters will be an advantage to them (54% to 57%). Less than ten percent of customers see smart meters as a disadvantage (4% to 7%). Another quarter of the customers surveyed think that smart meters will have no impact (24% to 26%).
  – Few customers surveyed have mentioned disadvantages to smart meters. There are typically more mentions related to concerns about potentially higher bills compared to other concerns about smart meters.

• On an unaided basis, customers say that advantages of smart meters are being aware of their energy usage (42%), being able to cut down on their electric bill (25%), being able to better regulate energy usage (14%), and being able to monitor their energy usage on the internet (13%).

• Only five percent of customers surveyed have mentioned disadvantages to smart meters. There are typically more mentions related to concerns about potentially higher bills compared to other concerns about smart meters.

• Despite the fact that the majority of customers say that smart meters will be an advantage, fewer say that that they are favorable to smart meters. This may be due to the fact that they have not been activated, so the benefits are not yet seen by customers. Many customers are favorable (37%) or at least neutral (15%) towards smart meters. One-third of customers do not know or are not sure (36%). Only one-tenth state that they are unfavorable (11%).

• Customers perceive that smart meters offer a number of benefits which are important to them. The percentage of customers who say these benefits are important to them has increased, such as a reduced need for estimated bills (from 71% to 79%) and that smart meters can provide information to help customers save money (68% to 76%).

• Customers prefer communications regarding smart meters be sent directly to them, including via email, bill inserts and letters to their home.

• The impact of media coverage on customers’ perceptions of smart meters is inconsistent from wave to wave. For the majority of customers, media coverage of smart meters does not appear to have a negative impact on their perceptions of smart meters.
  – There is confusion over news/media coverage. Among customers who say they have heard news/media coverage, many cite a letter from Pepco or a bill insert.
  – Additionally, while news coverage is high, advertising awareness is lower. This may be due to the confusion around the ways customers have heard about smart meters.

• Two-thirds of customers (67%) think their home is energy efficient.

• Four-out-of-five Wave VI customers (84%) indicate they conserve energy. However, only one-third (34%) indicate they do all they can to conserve energy.
  – Most customers are participating in turning off lights/appliances when leaving a room.

• Energy is perceived as being a major factor in the cost of living by most customers (69%), however, well over half of customers (62%) indicate being comfortable in their home is the most important priority.
• The majority of customers think they are informed about how to make their homes more energy efficient.
  – Customers are less knowledgeable about the programs Pepco offers to help with energy efficiency.
• Approximately two-thirds of customers (65%) are aware of the My Account tool on the Pepco Website.
  – Half (51%) of Wave VI customers have used the My Account tool.
  – Customers are equally likely to be aware of the My Account Tool whether or not they have a smart meter.
  – Generally those who have not utilized the My Account tool indicate lack of time (24%) and lack of knowledge of the tool (17%) as primary barriers to using the My Account Tool, rather than a lack of internet access.
• Favorability and satisfaction with Pepco have rebounded versus the decline observed in Wave V of research. This trend follows the same pattern as other surveys conducted near the time of the Derecho Storm. Overall the satisfaction levels are comparable to other satisfaction studies for MD customers.
  – In Wave VI of customers who have a smart meter are significantly more likely to be satisfied with Pepco than those who do not (66% satisfied versus 57%).

Peak Energy Savings Program Evaluation of Phase-In: (Fall 2012)

Objectives:
• Investigate customer reactions to the Phase-in for Peak Energy Savings Program in Summer 2012.
• Evaluate aspects of the customer experience for the Phase-In

Qualitative research

Methodology:

Six focus groups were conducted with 54 customers in the Phase-in group. Respondents represented a demographic mix of residential customers, including age, gender and household income characteristics.
  – Four groups with Montgomery County customers and Prince George’s County customers. Participants and non-participants were included.
  – Two groups focused on Energy Wise Rewards, with Energy Wise Rewards participants and non-participants from the Phase-in group.
  – The focus groups were held on September 5th, 6th, and 13th, 2012.
Key Findings:

- Overall, customers were favorable to the program. Most participants indicated they would participate again and most non-participants indicated that they would try the program.
- Aided recall of the program materials was high. The magnet had high recall and was well received.
  - Generally speaking, customers want to see more concise information and more visuals in the literature. Since the financial benefit is the primary driver of participation, customers think the financial benefits should be stressed and highlighted through headings.
- The postcard was well received and could be used multiple times to increase awareness of the program and convey key message elements.
- Some customers thought that enrollment in My Account was a pre-requisite for participation in the program since it is emphasized in the literature. It should be clear that going to My Account is simply a means for notifying the utility of one’s communications preferences.
- Customers want examples of specific actions that they can take to save energy – and the potential impact in dollars. Customers want to know what appliances to turn off to save XX kWh.
- There is interest in being notified of a Peak Energy Savings Day by all three communications vehicles – phone call, email and text.
- Customers were frustrated at the lack of Peak Savings Days this past summer as it reduced their opportunity to save.
- Some customers thought they had received the event notification on the day of the event, which precluded them from participating. Efforts should be made to ensure calls are placed the evening before an event.
- Most participants did not know the amount of their credit and did not go to My Account to find their credit. Most customers indicated that the credit should show up on the landing page and the Bill Center page.
  - Most customers expect the bill credit to show up in the Summary of Charges section, so that the credit is given prominence on the bill.
- Customers did not realize that they had to click on the How My Home Uses Energy chart to see their bill credit or detailed (hourly) usage information.
- Customers see the two programs as two options for the same program – one is a program that you have to enroll in and Pepco cycles your air-conditioning; the other is a program that everyone is enrolled in and the customer takes steps to save. It is a function of who has the control. They are both alternatives for achieving energy savings on peak days and result in the customer receiving a credit.
  - Customers want to see the two programs marketed together with a brief amount of information on each program included in a postcard or letter.
- Customers want to see the credit for both programs on their bill monthly rather than one time at the end of the season.
Quantitative Research

Methodology:

- A telephone survey was conducted with customers included in the Phase-in, all of whom were contacted. A total of 384 interviews were completed. The margin of error at the 95% confidence level for this sample size is +/- 4.8.
  - The survey was conducted during the second week in September before the 3rd Peak Savings Day occurred; therefore, results are based on the customer perceptions of the first two events in August.

Key Findings:

- Three-fourths of those surveyed (78%) have heard of Pepco’s Peak Energy Savings Program on an unaided basis. When provided a description of the program, over half of those who indicated they were unaware or not familiar with the program acknowledge they have heard of the program.
- Three-fourths of customers surveyed (75%) indicate they recall receiving an introductory letter regarding the program. One in four customers surveyed report receiving the phone call discussing the program.
- Among those aware of the Peak Energy Savings Program, most (77%) are very or somewhat familiar with the program.
- About one-third of customers (29%) reported that they notified Pepco regarding their preferred method of contact for Peak Energy Days. This may be due to the fact that the majority of customers (54%) prefer a telephone call, the default method.
- Well over half of customers surveyed (60%) indicated they were aware of at least one Peak Energy Savings Day.
- Four in ten customers surveyed indicated they reduced energy usage on the Peak Savings Day(s).
  - Turning off lights and electronics and turning up the thermostat are the most common actions taken to participate in Pepco Peak Energy Savings Credit events.
- Half of the customers (47%) not participating in a Peak Energy Savings Credit event indicate a lack of awareness was the primary reason, rather than a lack of interest.
- Most customers took no action to learn their bill credit, but they may not have received their bill that included the credit.
  - The majority of customers, 58%, were not aware they can review their bill credit online.
- Email is the primary way customers want to receive information regarding PESC. Customers are also interested in bill inserts, direct mail and messages on their bill.
- Four-out-of-five customers (81%) are likely to participate in the future.
  - Customers aware of the program or not aware of the program; receiving credit or not receive credit; and receiving introductory phone call/not receiving introductory phone call are all equally likely to participate in the future.
  - Saving money is the most important motivator for participating in the program, followed closely by helping the environment, reducing demand for electricity and reducing costs for all consumers.
Peak Energy Savings Program Naming and Education Materials: (Fall 2011)

Objectives:

• Test reactions to the information letter and Fact Sheet describing the Program
• Test potential names for the Program
• Investigate confusion points regarding terminology
• Test My Account pages related to the Program
• Ensure that program elements and benefits are clearly communicated to customers

Qualitative research

Methodology:

• Ten focus groups were conducted in the Pepeo and Delmarva Power service territory:
  – Six in total for Pepco’s jurisdiction, with two groups for representing District of Columbia customers, Montgomery County customers and Prince Georges County customers.
  – Four in Newark, DE representing Delmarva Power customers.
  – A total of 104 customers were included, 48 in DP&L service territory and 58 in Pepco service territory.
• In each jurisdiction, one group was among My Account users and one group was among non-users.
• Respondents represented a demographic mix of residential customers, including age, gender and household income characteristics.
• The focus groups were held on November 21st, 22nd, 28th, 30th and December 1st, 2011.

Key Findings:

• Overall, customers have a favorable reaction to the program. There are some concerns about discomfort on the hottest days of the year and the actual potential for bill savings, but about two-thirds of those in the focus groups indicated interest in trying the program.
• Generally speaking, the program name and all the materials (letter, brochure, fact sheet and website) all need to emphasize the potential for savings on the bill. The financial benefit is the primary driver of participation. To draw customers in and encourage them to read the literature, the financial benefit needs to be stressed more than it currently is.
• The letter, fact sheet and brochure were considered to be too text-intensive. Being more concise, where ever possible, will improve readership. Use of bolding of key phrases as well as bullet points should enhance readability.
  – Unless the name of the program (title of the brochure) communicates the potential for savings on the electric bill, customers are not likely to read the materials.
• Customers want examples of specific actions that they can take to save energy – and the potential impact in dollars. Customers want to know what appliances to turn off to save XX kWh.
They also want to know what the program potential for actual savings is over the summer, i.e., saves up to $50 this summer.

Making the distinction between this program and Energy Wise Rewards is important. Some customers confused the two. It should be clear that the customer’s participation is entirely voluntary and that they are in control of their energy usage.

Several of the names communicated non-energy related activities (fitness, self-help); none of these communicated the most important aspect of the program – savings on the bill.

- Peak Energy Savings is the strongest, as it communicates when the program is in place and the fact that the customer can save.
- Peak Day, Conserve Day and Saver Day were all possible contenders for the name for the event; they clearly communicate that it is time for them to take action.

Target, goal and limit were all potential candidates instead of ceiling.

- None of the customers were inclined to go to My Account to see what their threshold actually was before a peak day. This is because they have little understanding of their actual energy usage.

Changes made to the My Account application since the last research were well received.

The program description was short and to the point and communicated the key elements that need to be conveyed.

My Account users still want to see the dashboard as their landing page; after seeing the Dynamic Pricing information once, it should not be presented again.

The Bill to Date section is very well received. Both My Account users and non-users stated they would go to the web-site to see this information during the month.

Versions of the automated message announcing the events were tested with customers. Overall, customers responded favorably to the message and didn’t think it would pose a problem to receive the message a number of times throughout the course of the summer.

- The DPL version had the phrase “important message”; the Pepco version had the phrase “urgent message”. Important is preferred over urgent. Urgent implies an emergency of some type; customers don’t want to receive messages citing an emergency unless it really is one.
- The timeframe for the peak saving event should be mentioned twice in the message; customers might not pay attention to it the first time it is spoken.

Market Segmentation Study: (Spring 2012)

Objectives:

- Develop clear, actionable segmentation frameworks for Pepco Maryland that will:
  - Enhance the ability to create informational/marketing campaigns with targeted concepts and media strategies for specific customer segments.
  - Provide in-depth information about each segment, so that Pepco program managers and marketers can design services and communication strategies to appeal to each segment’s unique characteristics and preferences.
- Describe each segment’s characteristics, attitudes, values and motivations for participating in programs.

Methodology:

- Telephone survey conducted with 750 Maryland customers in Montgomery County and Prince George’s County.
  - The study was fielded March 13 – April 3, 2012
  - +/- 3.6 point sampling error at a 95% confidence level
  - Quotas were set by county within Maryland. Data were weighted by county and age
- The goal of segmentation analysis was to identify groups that are:
  - Homogeneous
  - Maximally different from each other group on multiple dimensions
  - Different in their levels of interest in smart grid and their motivations for being interested
- The final four segments were developed through iterative cluster and discriminant analyses.
  - Using latent class clustering, a 4-segment solution based on attitudes, stated behaviors/intentions, knowledge about energy efficiency, and demographic information was recommended to be the most actionable of the iterations.
- The questionnaire covered the following topics:

<table>
<thead>
<tr>
<th>General Smart Meter Awareness and Favorability</th>
<th>Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Level of understanding</td>
<td>• Internet access available at home</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Energy Use</th>
<th>Average Pepco bill amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Actions previously taken to save energy</td>
<td>• Income</td>
</tr>
<tr>
<td>• Perceived obstacles to saving energy in your home</td>
<td>• Education</td>
</tr>
<tr>
<td>• Participation in Pepco energy efficiency programs</td>
<td>• Age</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Media Use and Behavior</th>
<th>Race</th>
</tr>
</thead>
<tbody>
<tr>
<td>• News sources consulted on a regular basis</td>
<td>Primary form of transportation</td>
</tr>
<tr>
<td>• Use social media</td>
<td>Own or rent home</td>
</tr>
<tr>
<td>• Mobile data usage</td>
<td>Type of home</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Satisfaction with Pepco</th>
<th>Pepco Programs, Energy Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Trust in the Company</td>
<td>• Use Budget Billing and/or My Account tool</td>
</tr>
<tr>
<td>• Performance in environmental preservation</td>
<td>• Likelihood to participate in Critical Time Rate Plans, Time of Use Rate Plans, and/or Cycling</td>
</tr>
<tr>
<td>• Performance in customer service</td>
<td>• Preferred access methods for energy use data</td>
</tr>
<tr>
<td>• Payment plans and billing flexibility</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environment and Energy Use: Attitudes and Behaviors</th>
<th>Diffusion of Innovation/Shopping Preferences and Behaviors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Contribute time or money to environmental organizations</td>
<td>• Likelihood to purchase new technology products</td>
</tr>
<tr>
<td>• Belief that global warming is real</td>
<td>• Confidence that energy-efficient products will help save money</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic Views</th>
<th>Belief that Energy Star appliances are “worth it”</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Current financial situation in household</td>
<td>• Level of concern about household budget</td>
</tr>
<tr>
<td>better/worse than a year ago</td>
<td></td>
</tr>
</tbody>
</table>
Key Findings:

- Pepco MD customers can be divided into four segments based on their energy efficiency attitudes,

![Pie chart showing population by segment]

- These segments vary in terms of their interest in participating in programs related to energy efficiency and desire to monitor and change their energy use.
- The segments vary in terms of their media usage habits, channel preferences, and the types of messages to leverage in order to reach these customers.
- Energy efficiency orientation combined with environmental motivation make the Willing and Able segment a first-step target for Pepco.
  - Program design and promotion for this segment should emphasize environmental stewardship and the positive effects for future generations.
  - Willing and Able customers will be receptive to communications in a variety of media, including emails, phone calls, text messages, website content, and traditional mass media and direct mail.
- With an average (but second-highest) level of program interest, the Budget Minded segment is a viable early target for Pepco.
  - Saving money is the main motivation for Budget Minded customers.
  - Initial communications with these customers should provide education about smart meters and energy efficiency.
  - Television news programs are likely to be the most effective way to reach these customers. Direct mail, phone calls, and bill inserts would be good follow-up contact methods.
- The Convince Me segment customers do not understand the link between Pepco programs and their environmental and energy efficiency concerns. They represent a developmental target for program adoption.
  - Interactions around energy efficiency programs may have the potential to improve customer satisfaction in this segment.
  - Program design and promotion for this segment should emphasize environmental considerations.
- The Unconcerned segment is not likely to be receptive to messages related to saving energy or energy efficiency programs.
  - Saving energy in their homes is not a priority; comfort is more important
- Not very motivated by environmental benefits or financial need; low levels of program interest.
- Moderately favorable toward smart meters
- Dissatisfaction with Pepco and lack of trust in the Company may be obstacles to effective dialogue with this segment.

**My Account Features: (Fall 2011)**

**Objectives:**

- Several enhancements to the *My Account* application have been developed.
- The primary objective of this research was to test the proposed enhancements for comprehension and relevance among *My Account* users, and test reactions to the changes to existing pages.
- A secondary objective of this research was to test the Bill Highlights section of the dashboard for comprehension and relevance, and identify opportunities to enhance the language or design.
- In addition, customers were exposed to the relevant *My Account* pages (and a concept description) for Dynamic Pricing. The objective was to test the content and navigation of these pages.

**Qualitative research**

**Methodology:**

- Four focus groups were conducted in the Pepco and Delmarva Power service territory. A total of 37 customers were included.
  - Two in Pepco’s jurisdiction representing District of Columbia customers and a mix of Montgomery County and Prince Georges County customers.
  - Two in Newark, DE representing Delmarva Power customers.
- All participants in the focus groups were *My Account* users.
- Respondents represented a demographic mix of residential customers, including age, gender and household income characteristics.
- The focus groups were held on October 3rd and 4th, 2011.

**Key Findings:**

- The information contained in the proposed Meter Highlights Section is very relevant and informative. It will be used by customers to manage energy usage (and their bill) throughout the month.
  - A more customer-focused title is recommended for this section as are some word-smithing changes to the bullet point text to make the text more simple and direct.
  - Given this information is beneficial, it is suggested that it be placed higher on the Billing Center page so customers do not have to scroll down to read it (and miss it).
  - Most customers are interested in receiving some form of this information during the month via either email or text message or accessible via a smart phone application. A smart phone application should provide near real-time information.
• Customers typically review the Bill Highlights section of the dashboard if there are changes in their bill that they don’t understand. Improvements to make this information more useful include mouse-overs or clickable links that better explain billing terminology. Placing this information under a tab that customers can click on if desired was also suggested.

• Overall reaction to dynamic pricing is moderately positive. However, there is much confusion and customers have a lot of questions based on the description provided on the landing page.

• A succinct description of a potential bill credit if consumption is lowered during peak periods and where to manage your notifications are the key information elements that are desired. Then, links to more information and FAQs are needed.

• The term bill credit instead of rebate should be used; credits are more appealing than rebates and it is a credit that is proposed.

• Positive terminology should be used to describe the program; terms like emergency, CPR and critical should be avoided.

• Customers will be motivated by the bill savings; the environmental benefits or reduced brownouts are excellent messages, but they are secondary to the message of saving on the bill.

• The program information needs to clearly communicate that customers are automatically enrolled in the program, they choose whether to take action to conserve or not, and that they need to update their communications preferences.

• Updating one’s communications preferences is not intuitive. A more direct link to updating the notifications is needed to ensure customers are providing the desired information. A link from the main menu is desired.

• Automatic calling of customers to their home phone number (who have not provided their communications preferences or are not familiar with the program) could cause confusion and potentially alarm depending on the clarity of the message. Customers were particularly negative to this aspect of the proposed program. However, this impact will depend on the wording used in the notification.

• Customers do not want the dynamic pricing page to be the landing page when they log into My Account. They want to still see the Billing Center page. A text box in the top right white space can be used to communicate information about the program.
Appendix J: Screenshot of energy use information that is available to customers who call in and speak with a representative
Appendix K: Impact of Advertising in other Jurisdictions

Delmarva Power and Pepco DC utilized advertising as a key communications channel in addition to direct mail. As a result, the utilities noticed a direct correlation between the advertising launch and a rise in calls to the 1-855-NEW-METER number and increased visits to the ”Take Control” microsites. The increased activity demonstrates that customers were prompted to act after viewing advertising and other education.

In addition, the Company found in other jurisdictions that advertising can be an effective tool for reaching special customer segments, like those who do not have access to a computer, and customers who do not speak English, due to the ability to target advertising to specific media that will reach these groups. Pepco’s advertising strategy is based on multi-lingual print, online, out of home, transit and radio so that we can effectively communicate to customers with different interests and media habits.

Advertising is also an effective method of communication to customers that are not online and do not open any mail from their utility that is not a bill.

![Unique Visitors to TakeControlDelaware.com](image1)

![Phone Calls to 1-855-NEW-METER (DE)](image2)

- Blue indicates level prior to advertising
- Red indicates level after advertising
Appendix L: Maryland Dynamic Pricing Phase-in Report

Pepco Dynamic Pricing Summer 2012 Phase-in Report

Introduction/Overview

On June 8, 2012, the Commission issued Order No. 824966 in Case No. 9207 approving the Potomac Electric Power Company’s (“Pepco”; “Company”) proposed phase-in of residential dynamic pricing during the summer of 2012 for approximately 5,000 Pepco Maryland customers. On July 2, 2012, the Commission issued a Letter Order accepting Pepco’s residential dynamic pricing rate tariff, approving an effective date of July 1, 2012. (ML# 140743, Case No. 9207) In compliance with these Commission orders, Pepco initiated its residential dynamic pricing program during the summer of 2012. Pepco’s phase-in of residential dynamic pricing during the summer of 2012 was intended to test dynamic pricing educational materials and messaging and to test the Company’s dynamic pricing operational capabilities.¹ This report contains a description of the residential dynamic pricing phase-in activities, information regarding customer energy reductions during events, educational materials developed and used, customer reactions to educational materials and the overall program, operational issues, and “lessons learned” that will be applied to Pepco’s introduction of the program to all residential distribution customers during 2013.

Summary of Summer Residential Dynamic Pricing Phase-in

Pepco enrolled approximately 5,000 customers in the residential dynamic pricing program on a default applicability basis during June 2012.² The selected customers were located in one of two geographic areas of Montgomery County and Prince George’s County with activated advanced metering for over-the-air interval meter readings. All enrolled customers purchased their energy supply through utility provided Standard Offer Service.³ Nine hundred and ten participants of Pepco’s Energy Wise Rewards™ (“EWR”) Program were...

¹ The phase-in program was not designed to provide new dynamic pricing load reduction price elasticity estimates applicable to the overall Pepco residential customer population.
² The number of customers eligible for dynamic pricing fluctuated over the summer due to accounts changing to inactive status and customer migration to third party suppliers.
³ Beginning in 2011, pursuant to the Commission’s approval of the recommendations contained within the March 16, 2012 Dynamic Pricing Implementation Working group Report, all Pepco residential distribution customers will have the opportunity to participate in Pepco’s residential dynamic pricing program. (Order No. 84925, May 25, 2011, Case No. 9207)
included within the group of customers selected for the phase-in program. Pepco informed customers of their selection for the phase-in program through a direct mail piece that was mailed during the week of June 25th. Additional customer contacts were made to provide additional program educational materials to customers and these efforts are detailed in the educational section of this report. Pepco previously conducted market research and named the program the Peak Energy Savings Credit (“PESC”) Program.

The Company called three dynamic pricing events during the summer on August 3, August 24, and September 20. Each event was called for the time period of 2 pm to 6 pm. Event notification took place the afternoon/evening prior to the event through email, text messaging, and voice. Over the three events more than 4,000 customers or approximately 90 percent of participants reduced their electricity use compared to their individually calculated customer baseline load (“CBL”). Collectively these customers earned rebates totaling $109,791. Market research of participant reactions that was conducted during the summer and after the second event indicated overall satisfaction with the program and also provided useful insights regarding opportunities to refine educational techniques and messaging. Additionally, Pepco has identified several operational improvements that will be made to the program prior to its expansion to all residential distribution customers in 2013. A “lessons learned” section of this report provides a description of the program refinements that will made based upon the phase-in experience. Aggregate dynamic pricing phase-in incremental costs are currently estimated to be $260,441 or within the budget authorization of $256,000 ± 10 percent.

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4 The number of EWR participants increased during the summer as additional customers enrolled in the EWR program and the EWR cycling equipment was installed.
5 The Derecho storm event of June 29, 2012 resulted in a delay of event activations until August due to the diversion of all available resources to customer outage restoration efforts. Pepco filed a letter with the Commission on July 20, 2012 in Case No. 9207 explaining this scheduling adjustment.
6 Final phase-in expenditure figures will be available by November 30, 2012. The estimated expenditure is subject to change due to final customer credit calculations and the invoicing of market research consultants. The Company was able to avoid exceeding the approved budget by restricting the number of events to three.
Education Effort

Pepco developed a comprehensive customer education program to support its dynamic pricing rebate phase-in that took place during the summer of 2012. The customer education team developed materials, tactics and a timeline as part of a coordinated program designed to educate and motivate the approximately 5,000 Pepco Maryland customers to be active participants in the program. This document summarizes the key strategies and tactics that were developed and used. Educational materials were shared with Working Group members and several of their recommended revisions were used to improve and refine the materials.

Messaging

In the messaging for the program, there was discussion about how much emphasis to put on the word “savings” and whether or not customers might be unhappy with a smaller than expected cost savings on their bill. As a result, Pepco decided not to “over promise” cost savings to customers and the Company focused on the “energy savings” message. This message resonated with customers as shown later in the section outlining focus group findings.

An Integrated, Focused Approach

Using customer feedback to Pepco’s Advanced Metering Infrastructure (“AMI”) educational efforts, Pepco’s customer education team selected a number of tactics that have been proven to be effective, and added new tactics to drive understanding of the program among phase-in customers.7 The primary tactics used to educate customers in the campaign were:

- Direct Mail
  - Featuring both a welcome kit and postcards
- Email

---

7 Due to the limited customer base involved in this program, mediums with widespread coverage, i.e. television, radio and print, were not used.
Pepco Dynamic Pricing Summer 2012 Phase-in Report

- Bill Inserts
- Outbound Calls to customers

As part of the program, customers could sign up for two of the following communications preferences in advance, to notify them of upcoming Peak Savings Days (event days):

- Email
- Text
- Telephone Call

Look and Feel of the Summer 2012 Dynamic Pricing Phase-in Campaign

An overview of the materials that were used in the PESC Summer 2012 phase-in to educate customers is provided on the next page. Full size copies of the education materials are included in the Appendix within Attachment B of this report.
Timeline of Educational Efforts

After receipt of Commission approval for the phase-in program was received on June 8, 2012, the following educational timeline was established:

Figure 1

Education Timeline – Summer 2012

<table>
<thead>
<tr>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome</td>
<td></td>
<td></td>
<td>Customer</td>
</tr>
<tr>
<td>Kits</td>
<td></td>
<td></td>
<td>Survey</td>
</tr>
<tr>
<td>Mailed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postcard</td>
<td></td>
<td></td>
<td>Reminder</td>
</tr>
<tr>
<td>Reminder</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td></td>
<td>Focus</td>
</tr>
<tr>
<td>Campaign</td>
<td></td>
<td></td>
<td>Groups</td>
</tr>
<tr>
<td>Made</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calls</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to</td>
<td></td>
<td></td>
<td>Customers</td>
</tr>
</tbody>
</table>

Online My Account Energy Information Tools

The customer education materials included information on how customers could use My Account to better understand their energy usage, baseline, and credit. My Account provides customers with access to their hourly energy use data, their historical energy usage, bill payment, and a variety of energy information tools. It also provides access to information on ways to save energy, the cost-effectiveness of behavioral changes, and home improvements that can be made.
Pepco Dynamic Pricing Summer 2012 Phase-in Report

- Bill Center Tab
  - Customers can see the data recorded by the smart meter daily or hourly by selecting the ‘Energy Use Analysis’ link. Customers can change the date and type of graph to view energy use for different time periods.

- My Home Tab
  - Customers are able to create a detailed or summary Home Energy Analysis Report based upon information on the home’s heating and appliances that are entered into the program.

- Find Ways to Save Tab
  - This tab takes customers through a series of questions on topics such as weatherization, heating, cooling, hot water, kitchen, lighting, and pool/spa to provide practical ideas for savings.

- Calculate Improvements Tab
  - This section is filled with tools for finding the most efficient improvement that can be made.

The following page contains a screen shot of the page that customers see after logging in to My Account. It provides a brief summary of the PESC Program and a link so customers can set their preferences. On Peak Savings Days it notifies customers that an event is in progress, and provides access to each customer’s baseline. Customers are also able to access their household data included on the bill center, including their daily and hourly energy use.
Welcome to My Account
Your Personal Resource For Better Energy Management


Bill Summary Ending: 6/30/2012
Amount due: $207.00

Peak Energy Savings Credit - Earn Bill Credits

Peak Savings Day
A Critical Peak Event is scheduled for Pepco customers in MD on Thursday, September 20, 2012, from 2:00 PM to 6:00 PM.

Bill Center
The Bill Center on My Account provides customers with their recent bill information, their bill to date information for the current bill cycle, their daily energy use chart, and access to their hourly data and energy use analysis. This section helps customers understand the variation in their bill and their likely bill amount at the end of the month.
Hourly Use Chart and PESC Credit

Customers can see their daily and hourly use for any given day, including the PESC Event day. Their credit amount is shown below in the charts.

![Hourly Energy Use Chart]

- **Peak Energy Savings Credit**

<table>
<thead>
<tr>
<th>Peak Savings Date</th>
<th>Peak Savings Period</th>
<th>Baseline (kWh)</th>
<th>Use (kWh)</th>
<th>Preliminary Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/20</td>
<td>2 PM - 6 PM</td>
<td>20.00</td>
<td>3.00</td>
<td>$21.23</td>
</tr>
</tbody>
</table>

Peak Energy Savings Credit rewards you for reducing your electricity use. You will see these periods of high demand highlighted in yellow.
Peak Energy Savings Credit

<table>
<thead>
<tr>
<th>Peak Savings Date</th>
<th>Peak Savings Period</th>
<th>Baseline (kWh)</th>
<th>Use (kWh)</th>
<th>Preliminary Savings Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/20</td>
<td>2 PM - 6 PM</td>
<td>20.00</td>
<td>3.00</td>
<td>$21.25 Preliminary</td>
</tr>
</tbody>
</table>

Peak Energy Savings Credit rewards you for reducing your electric energy use. You will see those periods of high demand highlighted in yellow.
PESC Information on Bill

Customers are provided with detailed information regarding their earned credit and how it is calculated on their paper bill and the PDF version provided as an ebill. Attachment C contains an example of a bill.

- On the first page of the bill, customers are informed of the dollar amount of their bill, and told to check their Energy Charges section for information.
- On page two of their bill, customers can see their baseline, their kWh usage during the PESC time period, and their kWh savings below their baseline.
- On page three, customers can see the credit calculation of $1.25 per kWh, the total amount, and the subtraction of this amount from their energy charges.
- Note that beginning during the summer of 2013 that credits amounts will appear on the distribution portion of the bill rather than the generation portion of the bill.

Summer Operational Experience

Pepco called three PESC events during the summer of 2012 on the dates and times identified below in Table 1. The maximum temperature and weighted temperature humidity index (“WTHI”) for each event day are also shown in the Table. It is important to note that program events will typically take place when temperatures are in excess of 90 degrees Fahrenheit. During the summer of 2012 events were called on lower temperature dates to obtain program operational experience.

Each event was called during the afternoon prior to the event day. Customer event notifications were then issued during the late afternoon and the early evening of the day prior to the event day. The process established for the event calls is identified in Figure 2. The times

\[ \text{WTHI} = \frac{(12 \times \text{THI}) + (3 \times \text{THI-24}) + (2 \times \text{THI-48})}{17} \]

Where: \( \text{THI} = \frac{(0.4 \times \text{Hourly Dry Bulb Temperature}) + (0.4 \times \text{Hourly Wet Bulb Temperature}) + 15}{2} \).
listed in Figure 2 are those that took place for the first event. For each subsequent event, after system modifications were made, the notification period was compressed to a maximum of twenty minutes.

Table 1
PESC Event Date and Times

<table>
<thead>
<tr>
<th>Event Number</th>
<th>Event Date</th>
<th>Event Times</th>
<th>Maximum Temperature During Event Hours</th>
<th>Degrees Fahrenheit/WTHI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>August 3, 2012</td>
<td>2:00 pm - 6:00 pm</td>
<td>95°F / 82.4 WTHI</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>August 24, 2012</td>
<td>2:00 pm - 6:00 pm</td>
<td>88°F / 78.1 WTHI</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>September 20, 2012</td>
<td>2:00 pm - 6:00 pm</td>
<td>75°F / 68.9 WTHI</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2
PESC Interim Customer Notification Process – Pepco MD

Customer Notifications

Customers were invited to select up to two methods of receiving event notifications, as noted earlier. The notification methods identified for each event are contained in Table 2. Customers who did not state a notification preference were defaulted to phone notification.

9 Individual customers may have selected more than one notification method and therefore the figures are not additive.
There have been small increases in customers selecting email and text from event one through event three.

<table>
<thead>
<tr>
<th>Notification Type</th>
<th>August 3</th>
<th>August 24</th>
<th>September 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone</td>
<td>4,585</td>
<td>4,553</td>
<td>4,543</td>
</tr>
<tr>
<td>email</td>
<td>34</td>
<td>52</td>
<td>62</td>
</tr>
<tr>
<td>Text</td>
<td>12</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>4,631</td>
<td>4,632</td>
<td>4,634</td>
</tr>
</tbody>
</table>

Pepco Call Center Experience

Pepco tracked the number of customers who contacted the call center regarding each event. For the August 3rd event, the Company received a total of 53 calls or approximately 1 percent of the participating customers. Twenty-eight of these callers requested additional information regarding the PESC Program and also asked to establish their notification preferences. Twenty customers requested program information only. Several of these customers stated that they would set up their notification preferences themselves. A few customers noted that they had no access to a computer or did not have an email address. Several customers requested that an Energy Advisor call them back to provide further information. Five customers stated that they did not want to participate. The Pepco call center received no calls directly related to the August 24 event and one call related to the September 20 event.

Event Results

The actual results of each event are summarized in the following table. Presented reduction amounts are based upon the summation of individual customer savings calculations, i.e., the individually calculated CBL for the event period versus the customer’s actual usage.
during the event. Weather conditions during event days compared with selected CBL days will affect reduction estimates. As noted previously, the results cannot be statistically inferred to the overall population, but offer a number of insights into customer reaction to the program. Final data for the September 20th event are not yet available and final data related to this event will be updated by November 9th. The percentage of customers earning a rebate increased over the events, from 86 percent on August 3, to 94 percent on August 24, to 97 percent on September 20. Similarly the average rebate increased from $5.32 on August 3 to $7.75 on August 24 to $10.08 on September 20. Total estimated energy reductions increase from 19,205 kWh on August 3 to 28,658 kWh on August 24 to 38,599 kWh on September 20. The Company continues to examine the available data to determine whether additional statistical analysis can provide further insights into program operation that would help to identify program refinements that would improve program operations and customer response in 2013.

During each event the EWR Program was activated. Customers who participated in this program achieved higher reductions on August 3 and August 24, but not on September 20 based upon preliminary data. This result is most likely related to the lower temperature conditions on September 20 and the limited use of air conditioning on that date. During the summer of 2012 EWR customers who participated in the dynamic pricing phase-in had the opportunity to receive a full dynamic pricing credit. Beginning in 2013 when the dynamic pricing is available to all Pepco Maryland residential distribution customers, EWR customers will receive the base monthly EWR credit plus credits earned that exceed that amount through dynamic pricing.

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10 Pepco's dynamic pricing customer baseline is defined as the average load during the event hours as determined by the average load during the three highest load days (non-holiday, non-event weekdays). The baseline calculation is used to provide an estimate of what an individual customer would have used on an event day in the absence of an event call.
11 Final data availability is dependent upon ongoing final billing calculations that occur throughout each billing month.
12 See also the market research section of this report regarding estimates of the percentages of customers who claim to have actively engaged in energy reduction activities.
Table 3

Event Results for All Eligible Customers\(^\text{13}\)

<table>
<thead>
<tr>
<th>All Event Hours: 2 pm to 6 pm</th>
<th>August 3 Event</th>
<th>August 24 Event</th>
<th>September 20 Event Preliminary Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>No EWR EWR ALL</td>
<td>No EWR EWR ALL</td>
<td>No EWR EWR ALL</td>
<td></td>
</tr>
<tr>
<td>Number of Eligible Customers</td>
<td>3,750 900 4,700</td>
<td>3,675 1,011 4,686</td>
<td>4,808</td>
</tr>
<tr>
<td>Percentage of Customers w/Credit</td>
<td>85% 92% 86%</td>
<td>94% 95% 94%</td>
<td>97%</td>
</tr>
<tr>
<td>Total Amount of Credits $</td>
<td>$17,979 $7,045 $25,024</td>
<td>$27,930 $8,374 $36,304</td>
<td>$48,464</td>
</tr>
<tr>
<td>Total Reduction kWh</td>
<td>13,658 6,567 19,265</td>
<td>22,003 6,655 28,658</td>
<td>38,699</td>
</tr>
<tr>
<td>Average Credit $</td>
<td>$4.79 7.42 6.32</td>
<td>$7.60 8.28 7.76</td>
<td>$10.08</td>
</tr>
<tr>
<td>Average Reduction kWh</td>
<td>3.64 5.84 4.09</td>
<td>5.99 6.58 6.12</td>
<td>8.03</td>
</tr>
</tbody>
</table>

Table 4

Event Results for All Eligible Customers Receiving Credits

<table>
<thead>
<tr>
<th>All Event Hours: 2 pm to 6 pm</th>
<th>August 3 Event</th>
<th>August 24 Event</th>
<th>September 20 Event Preliminary Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>No EWR EWR ALL</td>
<td>No EWR EWR ALL</td>
<td>No EWR EWR ALL</td>
<td></td>
</tr>
<tr>
<td>Number of Customer Earning Credits</td>
<td>3,184 878 4,062</td>
<td>3,455 957 4,412</td>
<td>4,640</td>
</tr>
<tr>
<td>Total Amount of Credits $</td>
<td>$17,979 $7,045 $25,024</td>
<td>$27,930 $8,374 $36,304</td>
<td>$48,464</td>
</tr>
<tr>
<td>Total Reduction kWh</td>
<td>14,383 5,636 20,019</td>
<td>22,344 6,699 29,043</td>
<td>38,771</td>
</tr>
<tr>
<td>Average Credit $</td>
<td>$5.66 8.02 6.16</td>
<td>$8.08 8.75 8.23</td>
<td>$10.44</td>
</tr>
<tr>
<td>Average Reduction kWh</td>
<td>4.52 6.42 4.93</td>
<td>6.47 7.00 6.58</td>
<td>8.36</td>
</tr>
</tbody>
</table>

Market Research

Pepco conducted both qualitative and quantitative research to understand customer perceptions of the program. Both research types provide insight into customer perceptions of the program, their experience, and customer interest in future participation. The research included the following:

- Customer focus groups conducted for qualitative feedback on program, process and customer education materials.

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\(^{13}\) This table includes participants who reduced their energy use, participants with no changes in energy use compared to their baseline, and participants with increased energy use compared to their baseline.
Telephone survey conducted with customers to assess their program awareness, participation, and future interest.

Both the qualitative and quantitative research included questions regarding the following topics:

- Program awareness
- Receipt of materials (mail/phone)
- Awareness of dynamic pricing events
- Reasons for participation/non-participation — both in single events and for the program overall
- Steps customers took to reduce energy usage
- Reactions to the program
- Communications preferences for program information
- Notifications preferences
- Future interest in participating in the program
- Key benefits of the program/motivating factors
- Demographics

The full report that summarizes both studies is included in the Appendix as Attachment D.

Quantitative Market Research Summary

A telephone survey was conducted with customers included in the phase-in. All customers included in the phase-in were contacted for the survey, but not all customers were reached. A total of 384 interviews were conducted with customers included in the phase-in. The margin of error at the 95% confidence level for this sample size is +/- 4.8 percent. The survey was conducted during the second week in September before the third Peak Savings Day had occurred; therefore, results are based on the customer perceptions of the first two events that took place in August.
Table 5 contains a breakdown of key segments within the survey data.

Table 5 -- Key Customer Segment Breakout

<table>
<thead>
<tr>
<th></th>
<th>Total Respondents</th>
<th>% of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>My Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Users</td>
<td>189</td>
<td>54%</td>
</tr>
<tr>
<td>Non-Users</td>
<td>137</td>
<td>39%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>25</td>
<td>25%</td>
</tr>
<tr>
<td>Energy Wise Rewards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participants</td>
<td>129</td>
<td>34%</td>
</tr>
<tr>
<td>Non-participants</td>
<td>197</td>
<td>51%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>58</td>
<td>15%</td>
</tr>
<tr>
<td>Receipt of Credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Received Credit:</td>
<td>293</td>
<td>76%</td>
</tr>
<tr>
<td>Did Not Receive Credit:</td>
<td>91</td>
<td>24%</td>
</tr>
<tr>
<td>County</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prince George’s</td>
<td>226</td>
<td>59%</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>158</td>
<td>41%</td>
</tr>
</tbody>
</table>

Overall, the phase-in customers had high program awareness with at least three-quarters of customers reporting awareness of the PESC Program on an unaided basis, and 75% of customers recalled receipt of the customer education package. Forty-two percent of customers reported that they actively reduced their energy use on at least one of the Peak Energy Savings Days. Those who did not state that they actively reduced energy use typically stated that they did not reduce because they were unaware of the Peak Energy Savings Day.
rather than deciding not to participate. Others did not participate for a wide range of reasons, some situational, with few customers saying they did not participate because they did not think the savings would be worthwhile (7%).

While My Account users were aware they could go online to check their credit (43%), few did so (8%). Most customers were not aware at the time of the survey of what their credit actually was, which may be due to the timing of monthly billing.

The majority of customers are interested in participating in the future with the potential savings being the primary driver. There were no differences in future participation by age or by income level. There were no differences in future participation rates based on program awareness and current credit amounts.

Customers would like to receive further information about the program in general and information about ways to reduce their energy use. Customers are interested in receiving information via email (33%), bill inserts (23%), direct mail (23%) and messages on their bill (23%).

Eighty-three percent of customers surveyed reported that they do have internet access in their home. Among the 15% who do not have access at their home\(^{14}\), 40% report that they access the internet through their cell phone, work, friend’s house, or a public library. Non-My Account users typically cite a range of reasons for not using My Account, such as a lack of awareness (22%), or not having time (34%) while some cite privacy concerns (11%), or that they do not want another online account (15%).

There were some differences by customer segment. Survey results continue to be analyzed to better understand differences in participation and interest by various segments. Results will be analyzed further to understand the impact on the customer education strategy and tactics for the 2013 rollout.

\(^{14}\) Two percent of customers stated that they did not know whether they had internet access.
Fifty-four percent of the customers surveyed use My Account. Customers who are current My Account users had higher program awareness and were more likely to participate in the program in the future (86% vs. 76% for non-users). My Account users were more likely to have set their preferences and preferred email over phone messages.

Among EWR participants, 60% use My Account, which is a greater percentage than among non-EWR participants. EWR participants report taking actions beyond their air conditioning cycling in order to receive a credit on the Peak Energy Savings Days. EWR participants (93%) had a higher likelihood to participate in the program in the future than non-EWR participants (73% likely). More EWR participants cite the bill credit/savings as a reason for participating in the future.

There were no differences between Prince George’s County and Montgomery County customers in terms of their program awareness, program participation, communications, channel preferences or likelihood of future participation. Prince George’s County customers (93%) were more likely to say that saving money was an important reason for participation in the future although this was also high for Montgomery County customers (85%). The two groups had equal interest in terms of environmental benefits. The demographics for the two counties are detailed in Attachment D within the Appendix to this report.

Program Awareness and Participation

Overall customer awareness of the program and related materials was high. Seventy-eight percent of those surveyed have heard of Pepco’s PESC Program on an unaided basis.
When provided a description of the program, over half of those who indicated they were unaware or not familiar with the program acknowledge they have heard of the program.

Among those aware of the PESC Program, 77% are very or somewhat familiar with the program. Seventy-five percent indicated that they recall receiving an introductory letter regarding the program. One in four customers surveyed reported receiving the phone call discussing the program.

Figure 3

Twenty-nine percent notified Pepco regarding their preferred method of contact for Peak Energy Days. This may be due to the fact that the majority of customers (54%) prefer a telephone call, the default method.

Sixty percent indicated that they were aware of at least one Peak Energy Savings Day. Forty-two percent (42%) of customers surveyed indicated that they reduced energy usage on the Peak Savings Day(s). Customers who stated that they did not participate typically indicated that a lack of awareness was the primary reason (47%).
Turning off lights and electronics and turning up the thermostat are the most common actions taken to participate in PESC events.

Figure 4

Whether Reduced Energy Usage
Base: Total Respondents n=384

No, 37%

Don't Know, 21%

Yes, 42%

Among the customers who lowered their energy use, one-third (34%) were aware that they can review their bill credit online, but few actually checked to see their credit (8%). More than eighty-eight percent of customers took no action to learn about their bill credit. However, customers may not have received their bill with a PESC credit by the time of the September survey, given the phases of the customer billing cycle and timing of events.

Future Likelihood to Participate

Eighty-one percent of customers are likely to participate in the future. Only nine percent of customers indicate they will not participate in future Peak Energy Savings events.

• Future interest in the PESC Program does not vary based on current program awareness and credit level for the phase-in.
- Saving money is the most important motivator for participating in the PESC Program, followed closely by helping the environment, reducing demand for electricity and reducing costs for all consumers.

Figure 5

<table>
<thead>
<tr>
<th>Description</th>
<th>Likely</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (n=304)</td>
<td>81%</td>
<td>6%</td>
</tr>
<tr>
<td>Received Credit (n=293)</td>
<td>80%</td>
<td>9%</td>
</tr>
<tr>
<td>Did Not Receive Credit (n=91)</td>
<td>84%</td>
<td>5%</td>
</tr>
<tr>
<td>Received Introductory Phone Call</td>
<td>85%</td>
<td>3%</td>
</tr>
<tr>
<td>Did Not Receive Introductory Phone</td>
<td>79%</td>
<td>9%</td>
</tr>
<tr>
<td>Aware of Program (n=299)</td>
<td>81%</td>
<td>7%</td>
</tr>
<tr>
<td>Not Aware of Program (n=71)</td>
<td>82%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Information Preferences

Thirty-nine percent of customers surveyed would like additional information regarding the PESC Program. Customers not currently aware of the program are those most likely to want more information (54% of those unaware of program request more information while only 34% of those aware of the program request additional information). Typically a detailed explanation of the program and how it works is desired.
Email is the primary way customers want to receive information regarding PESC Program. Following email, bill inserts, letters to home and message on bill are additional ways to information customers about the PESC Program.
Qualitative Market Research Summary

Methodology

Six focus groups were conducted with customers in the phase-in group, which included a total of 54 customers. Respondents represented a demographic mix of residential customers, including age, gender and household income characteristics. The focus groups were held on September 5th, 6th, and 13th, 2012. Below is the breakdown of groups:

- Four groups with Montgomery County customers and Prince Georges County customers. Participants and non-participants were included.
- Two groups focused on EWR, with EWR participants and non-participants from the phase-in group

During the focus groups, customers were asked their recall of the materials on an unaided basis. They were then presented with the materials, including the direct mail pieces, the
website, and the paper bills. Customers were also asked for their feedback across all aspects of the program.

**Key Findings**

Overall, customers were favorable to the program. Most participants indicated that they would participate again and most non-participants indicated that they would try the program. Customers generally think the program is a good idea. Customers who received a low credit still feel motivated to try the program in the future.

- There is some confusion about the timing of a Peak Savings Event at the time that the customer is not at home. Some thought this was good because they could save while out of the house, while others found it frustrating in that it did not give them an opportunity to save. When it was explained to them that the trigger was the market price of electricity, it made sense to customers. They want this explained in the marketing materials at a high level.

- Customers in Maryland were interested in the environmental and collective savings realized through the program. Knowing what the community saved in aggregate might motivate them to participate. This was particularly true among those who thought the dollar savings was minimal and not worth the effort.

- Average credits of $8 in Maryland, while not perceived as high, were considered to be motivating. Knowing one’s credit is more likely to encourage customers to do more during the next event to save more than it is to discourage customers from participating at all.

- Customers expressed some frustration at the limited number of opportunities to save this past summer. They equate Peak Savings Days with really hot days and indicated that there were many above 95 degree days this past summer. Given this, they do not understand why there were not more Peak Savings Days scheduled.
Program Materials

Most participants recalled the mailing when they saw it. Non-participants did not recall the mailing. Non-participants indicated that they likely did not open the mailing, rather than open the mailing and deciding not to participate.

- Generally speaking, customers found the information packet to be too much information and too text intensive. Customers want to see more concise information and more visuals in the literature.

- The postcard was well received and could be used multiple times to increase awareness of the program and convey key message elements. The magnet also had high customer recall levels and was well received.

- The primary driver of participation is the opportunity to receive credits and save money. Customers would like to see this benefit and support the images stress this benefit. Customers felt headlines and images related to saving money would catch their attention.

Points of Clarification

- Some customers thought that enrollment in My Account was a pre-requisite for participation in the program since it is emphasized in the literature. For non-My Account users – or even computer users – this discouraged them from reading further and participating in the program.

  - Non-My Account users liked the idea of being able to call the Call Center with questions or to communicate their notification preferences.

- Some participants who did not actively reduce electricity and received the robocall were confused by it, thinking that they had been enrolled in a program without their knowledge. However, the majority of participants felt that the information was clear and told them what they needed to do.
Pepco Dynamic Pricing Summer 2012 Phase-in Report

- Customers want examples of specific actions that they can take to save energy – and the potential impact in dollars. Customers want to know what appliances to turn off to save a specific amount of electricity.

- Seeing the credit, either online or on the bill, would motivate most people to continue participating and take more steps to conserve during the next event. Customers suggested that the bill contain a reminder of the program in the months leading up to the summer so they are aware of the program.

EWR and PESC Programs

During the focus groups where the two programs were discussed, there was confusion between the two programs even among EWR Program participants. Customers see the two programs as two options for the same program – one is a program that you have to enroll in and Pepco cycles your air-conditioning; the other is a program that everyone is enrolled in and the customer takes steps to save.

Both programs are alternatives for achieving energy savings on peak days and result in the customer receiving a credit. However, some customers have a negative reaction to the idea of giving up control, so are not interested in this option. Despite this, customers want to see the two programs marketed together with a brief amount of information on each program included in a postcard or letter.

Customers want to see the credit for both programs on their bill monthly rather than one time at the end of the season.

Customer Communications

There is interest in being notified of a Peak Energy Savings Day by all three communications vehicles – phone call, email and text. Many customers did not know that they had to notify Pepco of their communications preferences, but since they prefer a phone call anyway, they
would not have changed their preference. There is likely to be greater interest in email and text messaging than is currently being experienced, as many participants would like to receive text messages and email.

- In addition to the printed materials, customers expressed interest in receiving emails from Pepco about the program and how to save, as well as links to energy saving tips.
- Customers are especially interested in receiving information about how much energy individual appliances use. They have no idea what to turn off, up or down or unplug to save energy. They do not know how much electricity is saved by adjusting their thermostat by one degree.
- Customers are not aware that savings tips are provided on the My Account pages; therefore, this information needs to be pushed out to them via email or direct mail. It was also suggested that information about the program and how to save energy be included on the bill.
- Testimonials and information about how much can be saved and the average savings as a result of participation in the program were considered important messages to communicate. These messages are considered especially important as the program is rolled out full scale next year.

My Account Website

Customers did not actively use My Account for their baseline information or to see their credit after the event. Customers in the groups were interested in the online tools after they saw the screenshots provided during the groups, expressing strong interest in both the hourly usage charts and bill-to-date information. However, most customers said they would go online to view this information periodically.
Pepco Dynamic Pricing Summer 2012 Phase-in Report

- None of the customers in the focus groups had gone to My Account to look at their baseline. Customers are not interested in what their baseline is and do not think that they need to know it for an event. They just know that it is used in the calculation for their savings. Customers thought baseline information should be available for those who were interested in the data, but most would not use it.

- While customers are not likely to go to the hourly usage information very frequently, they like that it is available to them. It helps explain how they use energy on a peak savings day and might give them some ideas as to the times when they can save energy. It is not clear to customers how to get to this information.

- Customers thought that the chart “When does my home use energy?” should be on the landing page.

- Customers did not realize that they had to click on the chart to see their bill credit or detailed (hourly) usage information.

- The bill credit should be clearly visible on the landing page and this page.

- Customers like the Bill To Date section. Several non-My Account users indicated that they would go to My Account to see this information.

Media Stories

Pepco did not issue any press releases regarding the dynamic pricing phase-in to reduce the risk of any customer confusion prior to the full-scale launch of the program in 2013. Two articles were written about the dynamic program phase-in. One article was published in the online edition of Restructuring Today on May 15, 2012 and was titled “AARP Consultant Criticizes Pepco Dynamic Pricing Pilot” and the second article was published in the print edition and the online version of the Montgomery County Gazette on June 13, 2012 and was titled “Smart Meters, Designed to Lower Costs, to Operate this Summer.” The Company is unaware of any other media news stories regarding the dynamic pricing phase-in.
Phase-in Costs

Table 7 contains the preliminary dynamic pricing phase-in costs. Final incremental phase-in costs will be available by November 30th. Therefore, Pepco will file an update of Table 7 when final figures are available. Costs will be adjusted somewhat due to contractor invoicing and final calculations of credits for the last dynamic pricing event. The Commission approved a budget of $256,000 ± 10 percent. The preliminary dynamic pricing costs totaling $260,441 are within the approved budget.

Table 7
Preliminary Incremental Dynamic Pricing Phase-in Costs

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Firm - Creative</td>
<td>$75,713.58</td>
</tr>
<tr>
<td>Postcards</td>
<td>$3,475.96</td>
</tr>
<tr>
<td>Toolkit</td>
<td>$5,188.67</td>
</tr>
<tr>
<td>Brochure</td>
<td>$804.71</td>
</tr>
<tr>
<td>FAQ</td>
<td>$773.80</td>
</tr>
<tr>
<td>Market Research Materials</td>
<td>$108.29</td>
</tr>
<tr>
<td>Customer Calls</td>
<td>$8,085.45</td>
</tr>
<tr>
<td>Outbound Notification</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Market Research</td>
<td>$55,000.00</td>
</tr>
<tr>
<td>Credits Earned</td>
<td>$109,791.25</td>
</tr>
<tr>
<td>Total</td>
<td>$260,441.71</td>
</tr>
</tbody>
</table>
Lessons Learned

Table 6 contains the lessons learned from the summer 2012 dynamic pricing experience and identifies the recommended program improvements.

Table 6
Lessons Learned

<table>
<thead>
<tr>
<th>Lesson Number</th>
<th>Applicability</th>
<th>Lessons learned</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Operational</td>
<td>A computer system automatically generated an email was incorrectly generated for 1,800 My Account customers stating that a rate change related to dynamic pricing had occurred.</td>
<td>This system functionality was deleted. Email messages were sent to affected customers providing a clarification.</td>
</tr>
<tr>
<td>1.1</td>
<td>Operational</td>
<td>A manual review was conducted of each customer bill for phase-in participants to ensure the accuracy of each bill.</td>
<td>Review of a sample of bills beginning in 2013 will help to ensure billing accuracy.</td>
</tr>
<tr>
<td>1.2</td>
<td>Operational</td>
<td>The My Account vendor updated its system coding after an event. This coding change removed the credit from each customer’s My Account page. No bills were affected by this error and the My Account system was corrected.</td>
<td>Conduct additional testing of coding changes before they are installed.</td>
</tr>
<tr>
<td>1.3</td>
<td>Operational</td>
<td>Event notification alerts required approximately 45 minutes for 5,000 customers. This time period needs to be reduced so that all customers can be notified prior to 8 pm when the program is available to all residential customers.</td>
<td>The Company is working with its vendor to reduce the time required for customer event notifications. Performance testing will be conducted to ensure that all customers are notified in a timely manner.</td>
</tr>
<tr>
<td>2.0</td>
<td>Customer education: Materials</td>
<td>Customer education materials will be revised to reflect customer feedback in terms of wording and streamlining information. The challenge is that customers want thorough</td>
<td>Wording will be streamlined where possible and images added where appropriate, while retaining key messages.</td>
</tr>
<tr>
<td>2.1</td>
<td>Customer education: Materials</td>
<td>Customers felt that the initial letter included in the education packet was redundant, and unnecessary.</td>
<td>The letter will not be included in the revised customer education packet, or a shorter version may be retained.</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Envelopes will be modified to increase attention and differentiate from other Pepco materials.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>There is confusion about kWh usage by appliances and how many degrees to raise the air conditioning temperature to achieve savings. Customers want to receive a list of things they can do to save energy.</td>
<td>Materials, both online and print, focusing on energy savings tips will be will be developed and promoted to provide concrete tips for customers.</td>
</tr>
<tr>
<td>3.0</td>
<td>Customer Education: Messaging</td>
<td>Customers are interested in hearing more about the environmental benefits of saving energy, and felt that showing the total amount of kWh saved by customers during an event would be an effective motivator.</td>
<td>Environmental benefits will be more heavily stressed in some of the educational materials targeting specific segments and as an overall benefit.</td>
</tr>
<tr>
<td>3.1</td>
<td>Customer Education: Messaging</td>
<td>Some customers were confused as to why the Peak Savings Day hours were during the day while they were at work</td>
<td>More education is needed to explain why peaks occur during business hours. FAQs, website and materials will provide information.</td>
</tr>
<tr>
<td>3.2</td>
<td>Customer Education: Messaging</td>
<td>Customers consider the money savings to be the most important benefit of the program, and would like this benefit to be emphasized on the program materials.</td>
<td>Pepco is careful not to overpromise savings to customers or be perceived as “exaggerating benefits.” However, customer savings is a key driver of participation and the Company is exploring alternative ways of conveying this information.</td>
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### Customer education: Tactics

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<tr>
<td>4.0</td>
<td>While effective in increasing awareness during the phase-in, the outbound phone calls discussing the program were not universally desired by customers. This tactic may be used to reach particular hard to reach segments who may desire a discussion of energy efficiency options.</td>
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<tr>
<td>4.1</td>
<td>Customers are interested in receiving emails about the program, both announcing the program and as a reminder during the season. Email will be used more heavily during the 2013 campaign.</td>
</tr>
<tr>
<td>4.2</td>
<td>Customers felt that postcards are an effective way to inform them about the program and obtain their attention. Postcards will continue to be an integral part of the education program, with multiple versions to reinforce key themes.</td>
</tr>
<tr>
<td>4.3</td>
<td>Customers believe that all materials should reference a webpage where they can read in-depth information if they have questions. Program information will be featured on the Pepco.com homepage and/or with an easy to access link.</td>
</tr>
</tbody>
</table>

### Logistics

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<tr>
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<th>Description</th>
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<tr>
<td>5.0</td>
<td>Customers did not go to look up their baseline before events, and did not consider the baseline as important to their decisions about actions to save energy on the event days. Program materials will not focus as strongly on the baseline. The website and FAQs will continue to provide information for customers who desire it.</td>
</tr>
<tr>
<td>5.1</td>
<td>The bill is a key communication tool for informing customers of their credit and encouraging their continued participation. Customers would like their credit to be clearly shown, as well as how their credit is calculated. Bill enhancements are being considered.</td>
</tr>
<tr>
<td>5.2</td>
<td>Customers did not mind the robocall on the day before a peak savings event. The majority of customers did not change their preferences beyond the default phone method. However, after each event, some customers were The robocall will continue to be used to notify customers of events. Automated options for setting preferences in addition to My Account are under consideration.</td>
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</tbody>
</table>
|   | 5.3 Logistics | Some customers who were not aware of the program were confused by the robocall wording. The robocall wording is under review and may be revised.
|   | 6.0 My Account Screens | When aware of the tools on My Account, many customers plan to visit My Account in the future. However, some are likely to only access this information periodically, such as seasonally or when bills are high. Monitor usage patterns and consider seasonal message to remind customers to use tools on My Account.
|   | 6.1 My Account Screens | Customers would like access to their credit amount and tools for viewing their hourly usage on their My Account landing page. Currently exploring options to streamline access to hourly usage graphs.
|   | 6.2 My Account Screens | Customers believe “bill to date” is a key tool for My Account and many express interest in using it. Continue educating customers on tools most relevant to them.
|   | 6.3 My Account Screens | Customers would like to easily navigate to the screen for setting preferences. Add ability to set preferences on static left navigation bar.
|   | 6.4 My Account Screens | Customers would like a reminder within My Account to remind them to set their preferences. Explore online options for reminding current My Account users.
|   | 7.0 Customer Education: Energy Wise Rewards | Both current EWR customers and non-EWR participants perceive that the two programs are two options for the same program – one is a program that you have to enroll in and Pepco cycles your air-conditioning; the other is a program that everyone is enrolled in and the customer takes steps to save. Enhance the education materials to highlight the benefits of the two programs. Leverage the aspect of “control” to explain the program to customers. Educate customers about how the two programs can work together.
|   | 7.1 Customer Education: Energy Wise | Customers were not very concerned about getting the “net credit” for participating in Language describing the credit method should be straightforward.
### Pepco Dynamic Pricing Summer 2012 Phase-in Report

<table>
<thead>
<tr>
<th>Rewards</th>
<th>both programs next year. They could understand why they would not get extra for the cycling.</th>
<th>FAQs will be developed to inform customers interested in a detailed explanation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.2</td>
<td>Customer Education: Energy Wise Rewards</td>
<td>Customers want to see the credit on their bill monthly, for both programs.</td>
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<tr>
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<td>Currently exploring options to show the two credits, given a monthly true-up.</td>
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<td>7.3</td>
<td>Customer Education: Energy Wise Rewards</td>
<td>Customers want a brief description of both programs on the postcard, described as two options. They find EWR confusing but don’t want to read a lot about it.</td>
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<td>Developing ways to easily clarify the two programs, and direct customers to detailed materials for programs of interest.</td>
</tr>
</tbody>
</table>
Appendix M: Lessons Learned – PESC Phase-in

The following table contains the lessons learned from the summer 2012 dynamic pricing experience and identifies the recommended program improvements for the full rollout in 2013.

<table>
<thead>
<tr>
<th>Lesson Number</th>
<th>Applicability</th>
<th>Lessons learned</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Operational</td>
<td>A computer system automatic email was incorrectly generated for 1,800 <em>My Account</em> customers stating that a rate change related to dynamic pricing had occurred.</td>
<td>This system functionality was deleted. Email messages were sent to affected customers providing a clarification.</td>
</tr>
<tr>
<td>1.1</td>
<td>Operational</td>
<td>A manual review was conducted of each customer bill for phase-in participants to ensure the accuracy of each bill.</td>
<td>Review of a sample of bills beginning in 2013 will help to ensure billing accuracy.</td>
</tr>
<tr>
<td>1.2</td>
<td>Operational</td>
<td>The <em>My Account</em> vendor updated its system coding after an event. This coding change removed the credit from each customer’s <em>My Account</em> page. No bills were affected by this error and the <em>My Account</em> system was corrected.</td>
<td>Conduct additional testing of coding changes before they are installed.</td>
</tr>
<tr>
<td>1.3</td>
<td>Operational</td>
<td>Event notification alerts required approximately 45 minutes for 5,000 customers. This time period needs to be reduced so that all customers can be notified prior to 8 pm when the program is available to all residential customers.</td>
<td>The Company is working with its vendor to reduce the time required for customer event notifications. Performance testing will be conducted to ensure that all customers are notified in a timely manner.</td>
</tr>
<tr>
<td>2.0</td>
<td>Customer education: Materials</td>
<td>Customer education materials will be revised to reflect customer feedback in terms of wording and streamlining information. The challenge is that customers want thorough information but do not want to read a long document.</td>
<td>Wording will be streamlined where possible and images added where appropriate, while retaining key messages. Materials will be redesigned and retested prior to full PESC rollout.</td>
</tr>
<tr>
<td>2.1</td>
<td>Customer education: Materials</td>
<td>Customers felt that the initial letter included in the education packet was redundant, and unnecessary.</td>
<td>The letter will not be included in the revised customer education packet, or a shorter version may be retained.</td>
</tr>
<tr>
<td>2.2</td>
<td>Customer education:</td>
<td>Customers think that the envelopes should indicate both</td>
<td>Envelopes will be modified to increase attention and</td>
</tr>
<tr>
<td>Materials</td>
<td>Pepco and Saving Money, but look different from other mailings. Many non-participants said they did not even open the envelope.</td>
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<tr>
<td>2.3 Customer education: Materials</td>
<td>There is confusion about kWh usage by appliances and how many degrees to raise the air conditioning temperature to achieve savings. Customers want to receive a list of things they can do to save energy.</td>
<td></td>
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<tr>
<td></td>
<td>Materials, both online and print, focusing on energy savings tips will be will be developed and promoted to provide concrete tips for customers.</td>
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<td>3.0 Customer Education: Messaging</td>
<td>Customers are interested in hearing more about the environmental benefits of saving energy, and felt that showing the total amount of kWh saved by customers during an event would be an effective motivator.</td>
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<tr>
<td></td>
<td>Environmental benefits will be more heavily stressed in some of the educational materials targeting specific segments and as an overall benefit.</td>
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<td>3.1 Customer Education: Messaging</td>
<td>Some customers were confused as to why the Peak Savings Day hours were during the day while they were at work.</td>
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<td>More education is needed to explain why peaks occur during business hours. FAQs, website and materials will provide information.</td>
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Appendix N: Opt-out Talking Points for the Call Center

Maryland PSC Opt-out Interim Order
Talking Points
January 2013

On January 7, 2013, the Maryland Public Service Commission issued Order No. 85294 stating that, effective immediately the May 25, 2012 Interim Order on Opt-Out will remain in effect:

- Until such time as the Commission issues its final decision on these issues, the utilities [Pepco, BGE and Delmarva Power] shall refrain from installing a smart meter in the home or business of any customer who notifies the utility in writing that they do not wish to have a smart meter installed, and for those customers that inform their utility in writing that they have already received a smart meter but do not wish to have one, the utility shall refrain from activating those customers’ smart meter transmitters until such time as the Commission issues its final decision on these issues.

We wish to be clear, however, that WE HAVE NOT REACHED ANY DECISION AS TO WHETHER TO PERMIT THE CUSTOMERS OF THE UTILITIES IN THESE CASES TO “OPT-OUT” OF RECEIVING A SMART METER PERMANENTLY OR, IF SO, WHAT THE TERMS OF ANY POSSIBLE FUTURE OPT-OUT MIGHT INCLUDE. This Interim Order should not be read to suggest or foreshadow anything beyond the purely interim directive it contains.

- Note this order is an interim order pending the PSC’s final ruling. We will continue to work with the Commission, and we look forward to the Maryland Public Service Commission’s final decision. We do not know when the final ruling is expected.
- Our customers are our main focus. To that end, we are committed to delivering enhanced reliability, improved customer service and advanced technologies.
- We will comply with the PSC’s interim decision, and we are actively putting our processes in place to comply with the interim order.
- The Company has provided the Maryland Public Service Commission with information about initial cost estimates of a customer opt-out as well as the benefits those customers would lose because of the opt-out. That information has been filed with the Maryland Public Service Commission, Case No. 9207.
- Pepco MD customers must make opt-out requests in writing to Pepco, MD Opt-out, 701 9th St. NW, Mail Stop EP7642, Washington, DC 20068. Delmarva MD customers must make opt out requests in writing to Delmarva Power, Mailstop 29SC59, P.O. Box 1739, Salisbury, MD 21802-1739.
- If a customer asks, we also will accept email requests. Pepco MD customers are asked to utilize the online contact form by visiting Pepco.com > Contact Us > Contact us online, and the internet representative should forward these emails to the escalated complaint team at the email address mdoptout@pepco.com (for internal use only). Delmarva MD customers are asked to send the email to https://www.delmarva.com/contact/online/. The
internet representatives that receive these emails should forward them to the mailbox  
**Energy Advisor MD DP/PEP**

- For customers who request an opt out in writing and have not yet had their meters installed, Pepco will put a hold on those installations.
- For customers who request an opt out in writing and who have had their meter installed, Pepco will need to make a site visit.
- Smart meter installation has not yet begun in Delmarva MD so no holds or site visits will be required as a result of this order.
- This interim order applies to electric utility customers ONLY in Maryland.
- If Delmarva (DE) or Pepco (DC) customers call, explain that this order applies only to Maryland customers and Delaware and D.C. commissions have not given any opt-out provisions at this time.

**Delmarva Power (MD)** received permission from the Maryland Public Service Commission in May 2012 to install smart meters. Delmarva Power is reviewing the Commission’s order and is participating in Commission-directed work groups to design programs to educate customers about smart meters.

**Pepco (MD)** began installing smart meters in its Maryland service territory in June 2011.
  - To date, more than 90 percent of homes and small businesses have received their meters (456,000 meters exchanged).
  - Approximately 311,000 meters have been activated, and we did anticipate having all meters activated and the network optimized by mid-summer 2013.

### GENERAL AMI BACKGROUND

#### PRIVACY

- Protecting customer data is critical, and Pepco’s smart grid systems and components guard against cyber and physical attacks.
- Pepco requires that equipment support Advanced Encryption Standards as defined by the National Institute of Standards and Technology.
- Pepco is committed to ensuring that customer energy use data is private. Therefore, only the account holder has access to the data. This information cannot be shared with a third-party without the written consent of the account holder.

#### RADIO FREQUENCY (RF)

- The smart grid uses radios to send information to and from smart meters and other grid equipment.
- A significant amount of scientific research has been conducted on RF fields – primarily focused on cellular phone frequencies. Among public health and regulatory agencies including the FDA, the FCC, the World Health Organization and the National Cancer Institute (NCI), none have concluded that the RF signals from smart meters cause or contribute to any adverse health effects.
- Pepco’s Smart grid provider, Silver Spring Networks, uses 900 megahertz (MHz) and 2.4 gigahertz (GHz) radios in its smart grid hardware devices – the same FCC-approved frequencies that have been safely used for many years in devices such as baby monitors, cell phones, remote-controlled toys and medical monitors.
Additionally, the smart meters being installed are only transmitting these low-power radio frequency (RF) fields for an average one minute per day; an individual smart meter is idle 99% of the time.

FAST FACTS
- Creating a smart grid is another core component of our strategic plan.
- At the heart of the future smart grid is deployment of 1.3 million smart meters across our Delmarva Power and Pepco service areas by the end of 2013.
- When the smart meters are fully activated, customers will have access to detailed account-specific energy information that will empower them to better manage their energy use and costs in ways not previously possible.
- With the approval of new rate structures that reward customers for reducing their electricity use during periods when the cost of supplying electricity is higher, customers will be able to save additional energy and money while helping their respective states reach their energy reduction goals.
CERTIFICATE OF SERVICE

I hereby certify that on behalf of Potomac Electric Power Company, the foregoing Proposed Phase II Customer Education Plan of “Pepco’s Advanced Metering Infrastructure for Maryland” was sent by hand delivery, postage prepaid and/or electronic mail on this 19th day of March 2013 to the below-listed parties in Case No. 9207.

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Rockville, MD 20850

The Honorable Rushern Baker, III  
Prince George’s County Executive  
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[Signature]  
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