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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".

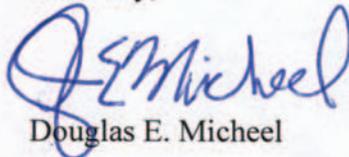
This document is being submitted on behalf of the Case No. 9207/9208 Working Group convened by the Commission to review and comment on Pepco's Proposed Phase II Customer Education Plan ("Working Group"). The Working Group included representatives of Pepco; Baltimore Gas and Electric Company; Staff of 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.

Mr. David J. Collins
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Please feel free to contact me if you have any questions regarding this matter.

Sincerely,



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)

Campaign 3:

The screenshot displays three panels: 'When does my home use energy?' with a bar chart of daily energy use; 'Bill to Date' with a list of key statistics; and 'How does my home use energy?' with a pie chart of electricity costs.

Category	Cost
Cooling	\$113
Hot Water	\$31
Food Storage	\$14
Other	\$11
Lighting	\$9
Cooking	\$7

Campaign 4:

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

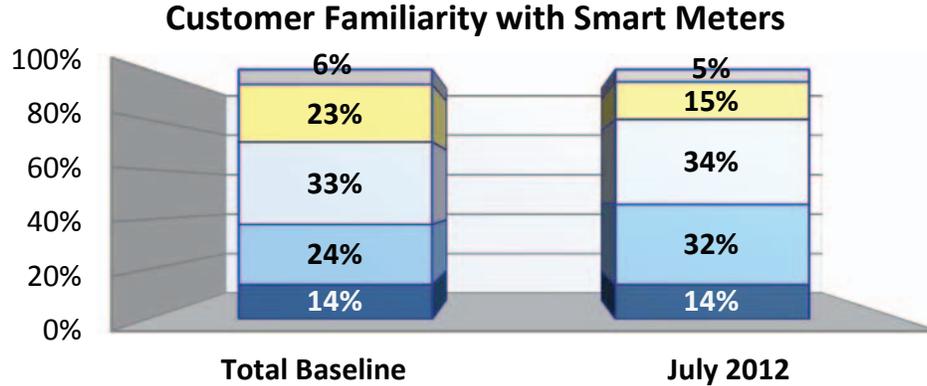
Pepco Maryland has conducted a wide range of research related to smart meters, including both qualitative and quantitative research, on topics such as educational material testing, advertising testing, awareness and tracking, and potential enhancements to *My Account*, Pepco's online account management 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.



	Total Baseline	July 2012
■ Don't Know	6%	5%
■ Not Heard Term	23%	15%
■ Heard Term Only	33%	34%
■ Basic Understanding	24%	32%
■ Complete Understanding	14%	14%

Source: Maryland Tracking Study

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”.

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.

Key Area	Why This Has Been Viewed as Effective
Public Relations	Positive media relations upfront can help avoid the potential for non-factual information to be disseminated by anti-AMI groups.
Advertising	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.
Stakeholder Engagement	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.
Direct Mail	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.
Bill Inserts	Bill inserts are a low cost way of ensuring all customers are reached given that the majority of customers review their bill.
Website	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.
Email	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.

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

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™ (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 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 and Delmarva Power previously conducted market research to name the PESC program.

The Company called three dynamic pricing events during the summer on August 3rd, August 24th, and September 20th.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 where 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

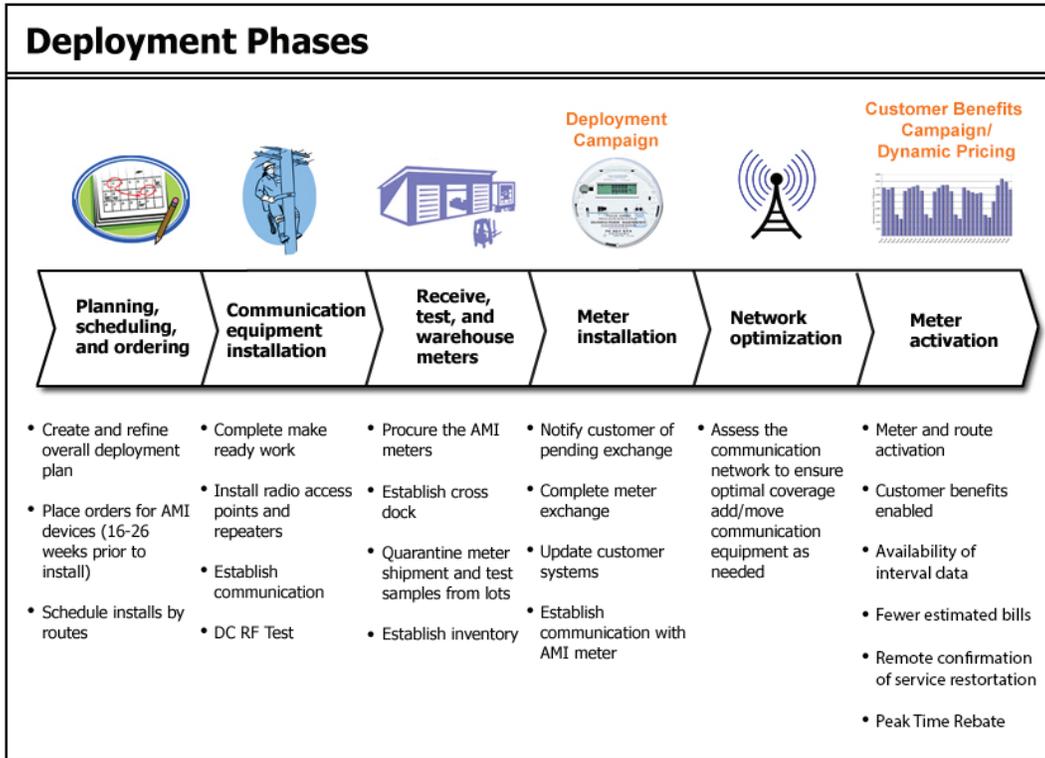
Campaign 2: Meter Deployment and Installation

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.



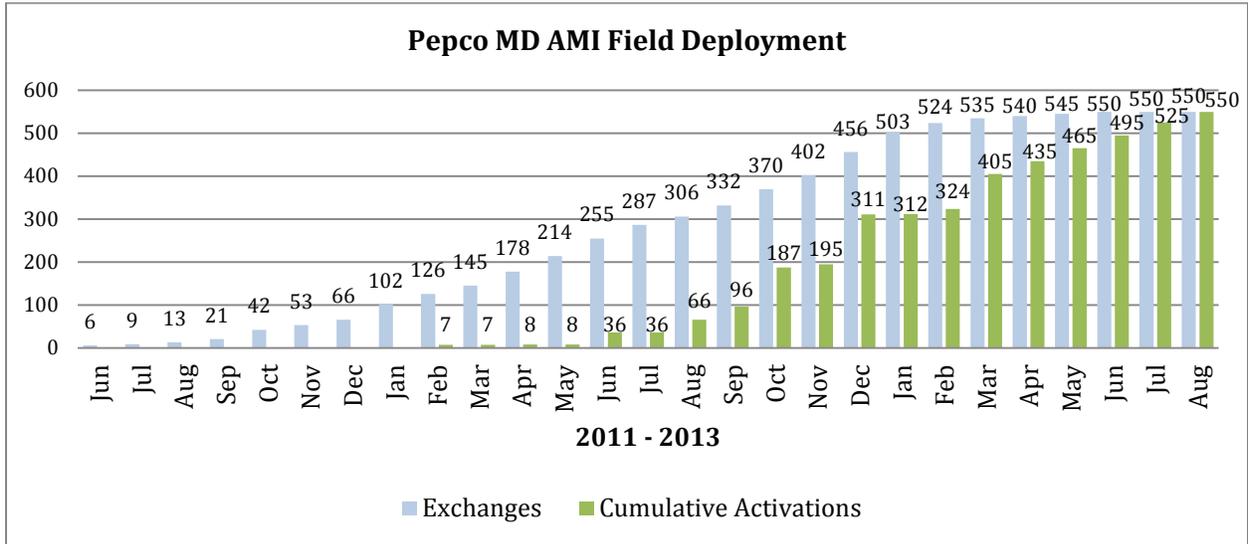
Phase I of customer education in Pepco Maryland focused on smart meter awareness. Customers have been receiving communications introducing their meter and discussing initial benefits. Once all of the meters are activated in Maryland (spring 2013), Pepco Maryland will launch its mass communication effort. 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



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.

Benefit	Messages
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 <i>My Account</i> at pepco.com to view their detailed use and billing information. Pepco Maryland's brochure describing how to sign up for <i>My Account</i> 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

Details on Campaign Tactics for Phase II – Phased Enablement of Customer Benefits				
Vehicle	What	Why	When	Challenge Addressed
Customer Bill Inserts	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.	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 <i>My Account</i> . They are also well suited for non-computer users.	2013	All except non-English speaking (see note under “What”)
Customer Direct Mail	Includes three newsletters and two postcards. Language will be included in Spanish on how further information in Spanish is available.	To let customers know what the benefits of smart meters are and how to access data/tools that demonstrate these benefits.	2013	All
Customer Direct Emails	Three emails	To let customers know what the benefits of smart meters are and how to access data/tools that demonstrate these benefits.	2013	To customers whose email addresses are available in PHI database
Pepco.com	Pepco Maryland’s company website provides an access point to <i>My Account</i> and other company specific news and information. Provides basic smart meter information including FAQs, Privacy statements, and overview of Pepco Maryland’s AMI strategy.	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.	Ongoing	All except non-English speakers. Limited multimedia functionality
Take Control Maryland.com	This educational “microsite” is available by visiting pepco.com. It offers smart meter information as well as instructions on how to enroll in <i>My Account</i> . A full description of this site is available on page 12 of the	Ease of use; Language is lay-person friendly.	2013	All except limited access to Internet

	plan.			
Videos	<p>Create lively and engaging videos to talk about the benefits of smart meters and tutorials.</p> <p>These are available online: takecontrolmaryland.com YouTube as well as available for showing at in-person events.</p>	To reach customers attuned to video communications as a preferred medium for receiving and processing information.	2013	All
News Media Outreach	Press releases	To keep the news media and public updated on the benefits of smart meters to customers and raise awareness of <i>My Account</i> .	2013	All
Market Research Tracking Studies	Measure the effectiveness of customer messages and ensure customer understanding.	To determine customer awareness of the benefits of smart meters for the purpose of improving further communication and messaging.	2013	All
Customized Customer Energy Report	<p>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.</p>	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 <i>My Account</i> and smart meters.	2013 – Available upon request, in 7-10 business days	All
Advertising	<p>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 <i>My Account</i>. 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.</p>	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.	2013	All

Community Outreach Meetings	Present information on smart meter benefits.	Proactive education of customers, increase awareness especially among hard-to-reach customers. Partnerships are identified in the addendum section of this document.	2013	All
Customer AMI Information Handout	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. Brochures and FAQs are also created in Spanish and are available to customers upon request. All English materials will have a message in Spanish included with this information.	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.	2013	All
Stakeholder Communication	Letter to Stakeholders at the start of the campaign to inform of the benefits of smart meters.	To keep the Stakeholders updated on the status and progress of the rollout of smart meters and their benefits to customers via pepco.com.	2013	All

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 be 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-target⁶ 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

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:

Tech Savvy and Computer Users

- We are ensuring we keep website, microsites and e-mail up to date
- Increased use of email

Non-Computer Users

- Bill inserts, direct mail, print newsletters, radio

Elderly and Special Needs

- 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

Non-English

- 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

Tactics for Campaign 4

Details on Campaign Tactics for Phase II – Peak Time Rebate (Peak Energy Savings Credit)				
Vehicle	What	Why	When	Challenge Addressed
Customer Bill Inserts	<p>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.</p> <p>Notes in Spanish will be included to target Spanish speaking households.</p>	<p>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.</p> <p>They are also well suited for non-computer users.</p>	2013	All except non-English speaking (see note under “What”)
Customer PESC Toolkit/Direct Mail	Brochure, Magnet and FAQs about PESC	<p>This is part of Pepco Maryland’s mass communications strategy and informs customers, in a single packet, of the benefit of PESC.</p> <p>Hard copy materials are very well suited for certain special interest groups, particularly those that do not have access to Internet.</p>	2013	All
Take Control Maryland.com	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.	Ease of use, quick, friendly information guide at your fingertips.	2013	All except customers with limited access to the Internet
Videos for takecontrolmaryland.com and YouTube	<p>Create lively and engaging videos to talk about how PESC works and tips to conserve electricity.</p> <p>These are available online and also presented when appropriate at in-person presentations.</p>	To reach customers attuned to video communications as a preferred medium for receiving and processing information.	2013	All

News Media Outreach	Press releases, and direct media relations efforts.	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, <i>My Account</i> , and takecontrolmaryland.com. To condition traffic/weather news media to treat PESC in similar fashion as air-quality alert or school closing information.	2013	All, though news releases are written in English.
Market Research Tracking Studies	Measure the effectiveness of customer messages.	To determine customer awareness of PESC for the purpose of improving further communication and messaging.	2013	
Customized Customer Energy Report	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.	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 <i>My Account</i> and smart meters.	2013 – Available upon request. 7-10 business days.	All
Customer Info Handouts/In person event materials	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.	To give to customers at community outreach events	2013	All
Advertising	Mass media will be focused on how customers can reduce their electricity bill this summer and what they specifically need to do	Builds awareness of PESC benefits. Media includes print, TV, radio, online advertising, and possibly transit advertising.	2013	All except limited access to the internet, do not listen to radio or TV, non-English speaking

	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.			
Community Outreach Meetings	Present information on PESC and benefits.	Proactive education of customers, increase awareness especially among hard-to-reach customers. List of customers included in addendum of this document.	2013	All
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-target⁸ 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.

Phase II Metrics Campaign 3

Balance Scorecard Section	Metric Category	Key Metric	Definition	Calculation – Pepco	Metric Available PHI	PSC Frequency
Communications & Education	Cases	Count of official complaints filed with the Public Service Commission regarding Smart Meters or Dynamic Pricing.	Count of official complaints filed with the Public Service Commission regarding Smart Meters or Dynamic Pricing.	Count of official complaints filed with the Public Service Commission regarding Smart Meters or Dynamic Pricing from residential and commercial customers.++	Q4 2012	Quarterly
Communications & Education	Customer Engagement	Number of customers who have accessed the web based electricity management tool.	Number of customers who have accessed the web based electricity management tool.	Sum of new and returning residential and commercial visitors ("unique visitors") that have viewed data via the web based electricity management tool. Note: A new and returning visitor or "unique visitor" 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.	Q4 2012	Quarterly
Communications & Education	Customer Engagement	Number of accounts that have enrolled in the web based electricity management tool.	Number of accounts that have enrolled in the web based electricity management tool.	Number of unique residential and commercial customers that enrolled in the web based electricity management tool.	Q4 2012	Quarterly
Communications & Education	Customer Engagement	Number of accounts sent Usage / Energy alerts or reports.	Number of accounts that were sent a Usage / Energy Alert or report.	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 customer 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.	Q3 2013	Quarterly
Communications & Education	Customer Engagement	Number of accounts sent Dynamic Pricing Alert Notifications.	Number of accounts that were sent a Dynamic Pricing Alert per event for all events. (Automated Alerts Only for both Companies)	Number of residential and commercial accounts that were sent a Dynamic Pricing Alert per event for all events.	Q3 2013	Quarterly
Communications & Education	Customer Engagement	Average time spent on the web based management tool per customer.	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 metric titled "Number of accounts that have enrolled in the web based electricity management tool."	Average duration of visits to view interval data via the web based electricity management tool.	Q4 2012	Quarterly
Communications & Education	Customer Engagement	Number of Web based management tool logins.	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.	Count of total logins to the web based electricity management tool.	Q4 2012	Quarterly

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.

AMI Campaign 3 Customer Education Benefits				
Strategy	Target Audience	Tactic / Communication Tool	Budget	DOE Budget
1. Stakeholder Collaboration – Meetings with key stakeholders				
	Maryland Public Service Commissioners and staff, Public Advocates, Government Agencies, BGE			
		Meeting Handouts – meetings held at various stakeholder offices	\$1,000	
2. Elected Official Outreach – Meetings with various officials				
	Local, county, state and federal officials			
		Fact Sheets, Handouts – during meetings	\$1,000	
3. Mass Communications				
	Mass Communications to 533,000			
		Social Media (Consultant and Representative)	\$5,000	
		Direct Mail	\$350,000	\$111,466

	Bill Inserts/LINES	\$10,000	
	E-blasts	\$5,000	
	Radio Advertising (Note: Second column represents DOE funding)		\$240,000
	Advertising: Print, Online, Transit, Billboards, Television. Final media plan developed in conjunction with outside vendor and will be shared with the Working Group.	\$300,000	
	1-855-New-Meter	\$1,500	
4. Public Relations – Various Channels			
	Local and industry news media		
	Public Relations	\$5,000	
	Crisis Communications Plan; Opt-out Communications	\$1,500	
5. Community Partnership – Local community groups and partnerships			
	Community groups, nonprofits, agencies, homeowner associations, civic groups, community advisory groups		
	Outreach Sponsorship/Materials	\$44,000	
6. Expert Consultations - various			
	Customers and key contacts with highly technical questions		
	Fact Sheets, Handouts	\$1,000	
7. Employee Engagement and Training			
	All employees of Pepco and PHI, especially call center representatives and employee- customers		
	Employee Engagement -- Retiree Newsletter, Posters, PHI News articles, intranet, emails	\$10,000	

8. All Strategies

All audiences listed above

Marketing Manager and Staff	\$50,000	
Market Research -- AMI Tracking Study (4 waves) + Segmentation Study	\$100,000	
Marketing Firm- Creative Services	\$100,000	
Website Updates	\$10,000	
Videos	\$15,500	
TOTAL	\$1,010,500	\$351,466

Note: The cost included for Customer Education is within the cost projected in the most recent Business Case December 2010.

2013 Dynamic Pricing Customer Education – Tactical Plan and Budget

Pepco MD

2013 Dynamic Pricing Customer Education Budget				
Strategy	Target Audience	Tactic/ Communication Tool	Budget	DOE Budget
1. Stakeholder Collaboration				
	Maryland Public Service Commissioners and staff, Public Advocates, Government Agencies, BGE			
		Meeting Handouts	\$1,000	
2. Elected Official Mailings/Fact Sheets				
	Local, county, state and federal			
		Mailings	\$1,000	
3. Mass Communications				
	533,000 Customers			
		Customer Toolkit: Brochure, FAQ, and Magnet	\$450,000	
		E-Marketing	\$5,000	
		Bill Inserts	\$10,000	
		Direct Mail (Brochures and Postcards)	\$420,000	\$386,280
		Mass Media/Advertising	\$450,000	\$240,000
4. Public Relations				
	Local and industry news media			
		PR	\$5,000	
5. Community Partnership				

	Community groups, nonprofits			
			\$40,000	
6. Expert Consultations (Energy Advisors)				
	Customers and Key contacts with			
		Fact Sheets, Handouts (Customized from mailing materials if needed)	\$1,000	
7. Employee Engagement and Training				
	All employees of Pepco and PHI, especially call center representatives and employee customers			
		Employee Engagement – Retiree Newsletter, Posters, PHI News employee training	\$5,000	
8. All Strategies				
	All audiences listed above			
		Market Research – Focus Groups	\$100,000	
		Marketing Firm- Creative Services	\$100,000	
		Website Updates	\$23,000	
		Videos	\$23,000	
Campaign #4			\$1,634,000	\$626,280

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
 - o Bill Insert
 - o Lines Article
 - o Direct Mail, Customer Newsletter
 - o Direct Mail, Postcard
 - o E-Blast
 - o Screenshot of Takecontrolmaryland.com
 - o Take Control Brochure
- Appendix E: Advertisements
 - o Radio Script, Public Service Announcement
 - o Print Advertisement
- Appendix F: Target Agencies and Audiences
- Appendix G: Stakeholder Letter – Maryland Peak Energy Savings Credit (PESC)
- Appendix H: Customer Communications – Maryland PESC
 - o Bill Insert
 - o Postcard
 - o Customer Toolkit, including brochure, envelope, and magnet
 - o E-Blast
 - o Screenshot of Takecontrolmaryland.com/pesc
 - o 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



NEWS RELEASE

701 Ninth Street NW
Washington, DC 20068
pepco.com
NYSE: POM

FOR IMMEDIATE RELEASE

Media Contact: XXX
202-XX-XXX (office)
NAME@pepcoholdings.com

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).

DRAFT

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

DRAFT

Appendix C: Customer Meter Letters with Opt-out Language – Maryland AMI Phase II

Exchange Confirmation



Escalated Investigations
701 Ninth Street, N.W.
Washington, D.C. 20068
(202) 596-0723

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]

Hold Confirmation



Escalated Investigations
701 Ninth Street, N.W.
Washington, D.C. 20068
(202) 596-0723

Current Date

Customer Name
Customer Address
Customer Address

Dear (insert customer name):

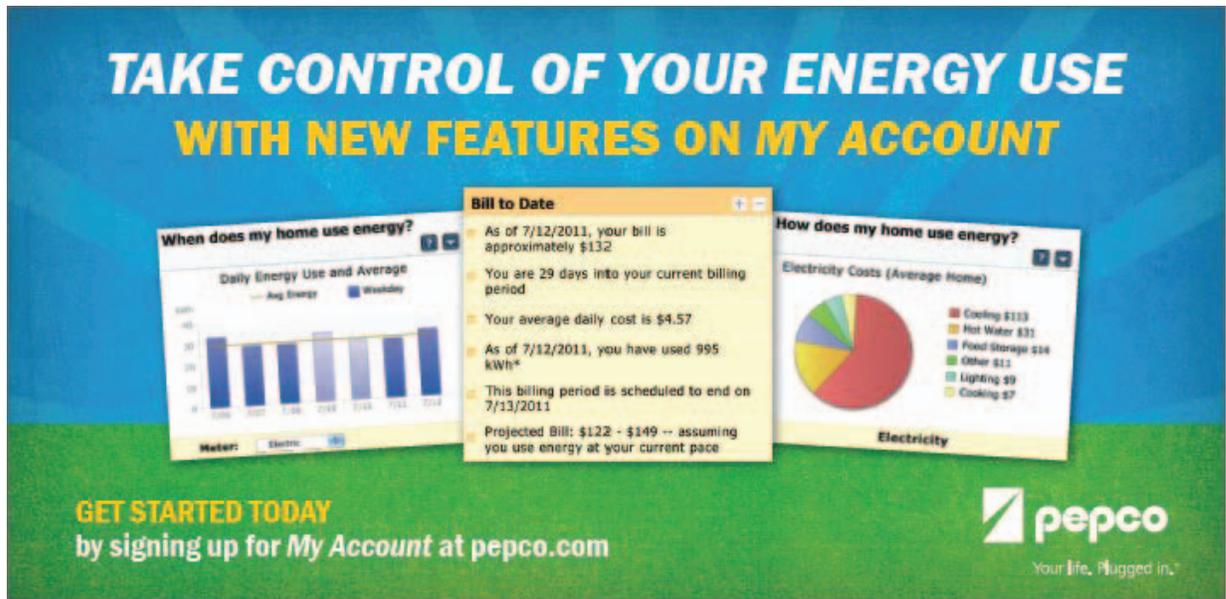
We have received your request to opt-out of a smart meter installation. In accordance with the Maryland Public Service Commission's interim order allowing customers to opt out of the smart meter installation, we will suspend installation of the smart meter until further direction has been received from 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**



TAKE CONTROL OF YOUR ENERGY USE WITH NEW FEATURES ON MY ACCOUNT

When does my home use energy?
Daily Energy Use and Average
Avg Energy | Weekly

Bill to Date
As of 7/12/2011, your bill is approximately \$132
You are 29 days into your current billing period
Your average daily cost is \$4.57
As of 7/12/2011, you have used 995 kWh*
This billing period is scheduled to end on 7/13/2011
Projected Bill: \$122 - \$149 -- assuming you use energy at your current pace

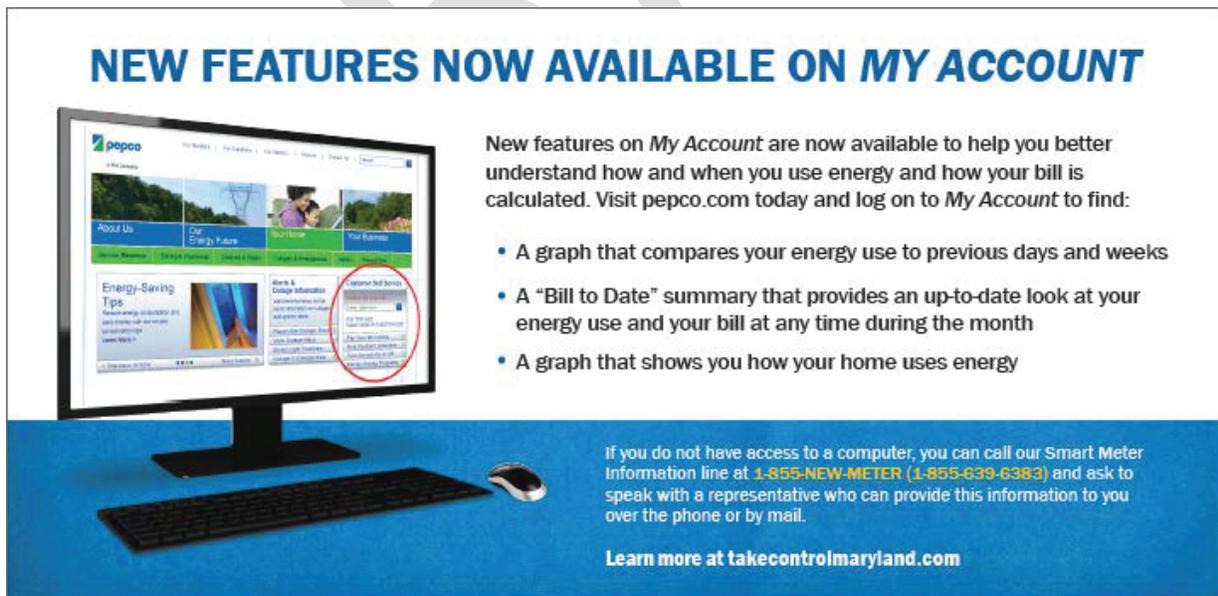
How does my home use energy?
Electricity Costs (Average Home)

Category	Cost
Cooling	\$133
Hot Water	\$31
Food Storage	\$34
Other	\$11
Lighting	\$9
Cooking	\$7

GET STARTED TODAY
by signing up for *My Account* at pepco.com

pepco
Your life. Plugged in.™

- **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 **1-855-NEW-METER (1-855-639-6383)** and ask to speak with a representative who can provide this information to you over the phone or by mail.

Learn more at takecontrolmaryland.com

Lines Article

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.

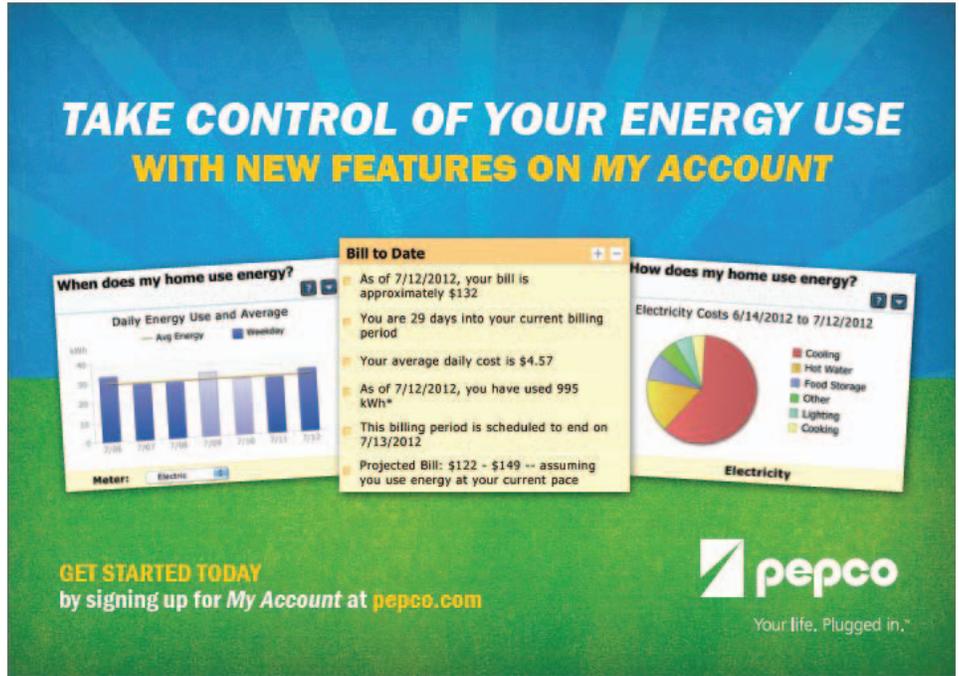
Pepco has also launched the www.takecontrolmaryland.com website as an easy-to-use informational website dedicated to smart meter awareness. In addition to the information on smart meters, the website also provides energy savings information and conservation tips.

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.

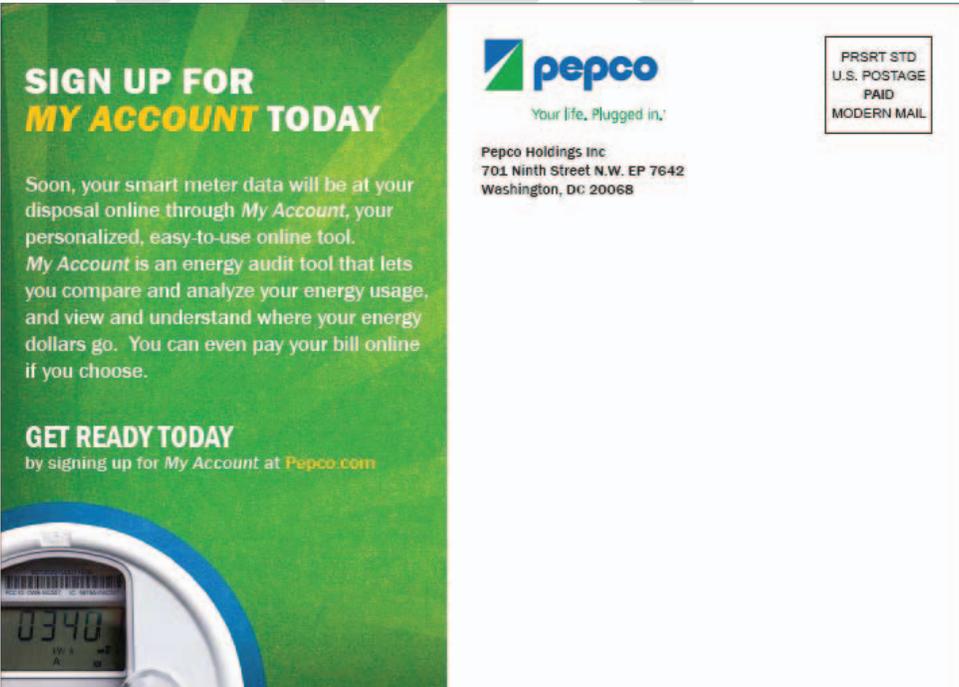
"We are pleased to offer customers energy use information from the new smart meters that will give customers the tools to help take control of their energy use and target ways to save," said Thomas H. Graham, President, Pepco Region.

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, Postcard – Front



- Direct Mail, Postcard – Back



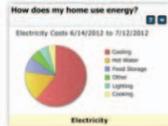
E-Blast

TAKE CONTROL OF YOUR ENERGY USE WITH NEW FEATURES ON **MY ACCOUNT**

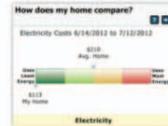


Dear CUSTOMER NAME,

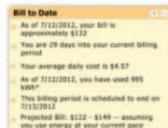
Now that you have your new smart meter, you can take full advantage of new features on *My Account* that will help you take control of your energy use. Here are some examples of the features you will find on *My Account*.



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



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



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 on 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



If you do not have access to a computer, please call our Smart Meter Information line at 1-855-NEW-METER (1-855-639-6383) between the hours of 7:00 a.m. and 8:00 p.m. Monday through Friday.

SIGN UP FOR **MY ACCOUNT**

Your smart meter data is available online through *My Account*, your personalized, easy-to-use online energy analysis tool. *My Account* offers a number of features, including:

- Detailed Energy Use.
- Bill to Date Information.
- View and Pay Your Bill.

HERE'S HOW:

- Before going online, please have a copy of your last Pepco bill.
- Go online to pepco.com and click on "Fast-Track Users."
- Fill out the profile information.
- When your profile is complete, your customized information will appear.

Learn more at takecontrolmaryland.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.

Use LED lights around your home when possible.

Shut off unnecessary lights or electrical devices.

Lower blinds on hot summer days to keep cool air in.



Check the duct work for air leaks about once a year.

Raise your thermostat a few degrees when you leave your house.

Check *My Account* online for how and when you are using energy.



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 8:00 p.m. Monday through Friday. Learn more at takecontrolmaryland.com

Screenshot of Takecontrolmaryland.com

pepco
Your life. Plugged in.™

Pepco's smart meter website is your informational resource to learn everything you need to know about your new smart meter.

What is a Smart Meter? | **Understanding Your Smart Meter Data** | **Save Energy**

"Welcome! Here you'll find all the information you need to **TAKE CONTROL OF YOUR ENERGY USE.**"

GET STARTED!

With your SMART METER the power is in your hands.

Your new smart meter from Pepco helps you take control of the energy you use in your home or small business each and every day. Just sign up through *My Account* and you'll see your actual energy usage data online in easy-to-read graphs. Then, with the data your smart meter provides, you can make informed choices about controlling your energy consumption. Which is very smart indeed.

Use these links to learn more:

- ▶ Save Energy
- ▶ What is a Smart Meter
- ▶ Understanding Your Smart Meter Data

LEARN HOW TO VIEW YOUR NEW DATA | **LEARN HOW**

TAKE CONTROL OF YOUR ENERGY. SIGN UP FOR MY ACCOUNT TODAY. | Already have an account? [Login](#) | **SIGN UP**

CLICK HERE TO LEARN ABOUT YOUR NEW SMART METER | **GET STARTED**

Have questions? Speak to an Energy Advisor at 1-855-NEW-METER (1-855-639-6383)
©2010-2012 Pepco. All Rights Reserved | [About Pepco](#)

Your life. Plugged in.™ [f](#) [t](#) [in](#) [y](#)

DE

Take Control Brochure – Outside

NEW FEATURES NOW AVAILABLE ON MY ACCOUNT

New features are now available on My Account to help you better understand how and when you use energy.

To take full advantage of these new benefits, log on to My Account at pepco.com. If you have not signed up for My Account, visit pepco.com and click on "First-Time Users."



If you do not have access to a computer, please call our Smart Meter Information line at 1-855-NEW-METER (1-855-639-6383) and we can assist you.

START USING THESE NEW FEATURES TODAY

SIGN UP FOR MY ACCOUNT
Your smart meter data is available online through My Account, your personalized, easy-to-use online tool. My Account offers a number of benefits and options, including:

- Detailed Energy Use.
- Bill to Date Information.
- View and Pay Your Bill.

HERE'S HOW:

- Before going online, please have a copy of your last Pepco bill.
- Go online to pepco.com and click on "First-Time Users" to sign up.
- Fill out the profile information.
- When your profile is complete, your customized information will appear.

Learn more at pepco.com

Have questions?
Call our Smart Meter Information line at 1-855-NEW-METER (1-855-639-6383)



Your Life, Plugged in.™

TAKE CONTROL OF YOUR ENERGY USE

WITH NEW FEATURES ON MY ACCOUNT



New features on My Account will enable you to get an up-to-date look at your energy use throughout the month, so you can make more informed decisions about how and when you use energy.

Start using these new features today by signing up for My Account at pepco.com



Your Life, Plugged in.™

00-11-12

Take Control Brochure – Inside

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.



Use LED lights around your home when possible.

Check the duct work for air leaks about once a year.

Raise your thermostat in the summer a few degrees when you leave your house.

Shut off unnecessary lights or electrical devices.

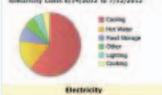
Lower blinds on hot summer days to keep cool air in.

Check My Account online for how and when you are using energy.

NEW FEATURES NOW AVAILABLE ON MY ACCOUNT

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?



Electricity

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

How does my home compare?



Electricity

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

Bill to Date

As of 7/12/2012, your bill is approximately \$132

- You are 28 days into your current billing period
- Your average daily cost is \$4.57
- As of 7/12/2012, you have used 995 kWh*
- This billing period is scheduled to end on 7/12/2012
- Projected Bill: \$122 - \$146 – assuming you use energy at your current pace

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.

When does my home use energy?



Daily Energy Use and Average

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

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 8:00 p.m., Monday through Friday. Learn more at pepco.com



Your Life, Plugged in.™

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**

pepco
Your life. Plugged in.™

TAKE CONTROL OF YOUR ENERGY USE

Pepco has installed new smart meters in homes and businesses throughout Maryland. That means that you now have access to more detailed energy use information than ever before. Log on to *My Account* today to take full advantage of new features including:

- Daily, weekly, and monthly energy use charts
- Bill to date information
- A breakdown of how your home uses energy

Sign up for *My Account* today at pepco.com

TO LEARN MORE
about new smart meter benefits,
visit takecontrolmaryland.com

If you do not have access to a computer, you can still benefit from these new features. Call our Smart Meter Information line at 1-855-NEW-METER (1-855-639-6383).

Detailed energy use information may not be available for customers with on-site generation.

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.

Government

Montgomery County Council/Executive
Metropolitan COG

Maryland Association of Counties
City of Rockville

Montgomery County Department of Housing
and Community Affairs

Montgomery County Department of
Environmental Protection

Montgomery County Office of Community
Partnerships

Montgomery County Department of Human
Resources

Prince George's County Department of Family
Services

Prince George's County Council/Executive
Maryland Municipal League

City of Seat Pleasant

Montgomery County Office of Consumer
Protection

Montgomery County Department of Health &
Human Services

Prince George's County Department of Social
Services

Montgomery and Prince George's County
Libraries

Seniors

Leisure World

The OWLs

Montgomery County Office on Aging

Top Banana

Rockville Senior Center

Seniors Today

AARP

Area Agencies on Aging and Meals on Wheels
Program

Business

Montgomery County Chamber of Commerce

Montgomery County Department of Economic
Development

Prince George's County Chamber of
Commerce

Prince George's County Economic
Development Corporation

Low-Income

Interfaith Works
Gapbusters
FEMA Board for Access to Red Cross

United Way, Urban League, Family Services
& UCAP
United Communities Against Poverty
Emergency Assistance Coalition

Homeowner/Civic

Montgomery County Civic Federation
Westphalia Civic Association
Glen Ridge Citizen Association

Prince George's County Civic Federation
STET/Brandview Civic Association
Palmar Park Citizens Association

Minority

NAACP
Prince George's Black Chamber
Mid-Atlantic Hispanic Chamber of Commerce
TESS Community Center

Maryland Black Mayors
Asian American Chamber of Commerce
Montgomery County Community Outreach
Office for Asian, Latino and African Affairs

Faith-Based

Community Ministries
St. Camillus Church
Hadasha Group at Leisure World

Interfaith Works
St. Andrews Episcopal Church

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.⁹¹⁰

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

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

DRAFT

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

2

energy wise rewards™

It's the automatic way to save money and energy!

Save up to \$160 and get a web-programmable thermostat or outdoor switch professionally installed at no charge.

With Energy Wise Rewards™ from Pepco we will remotely cycle off and on your central air conditioner or heat pump during peak electricity use times, generally June through September. The difference in temperature is only a few degrees and your air conditioner fan stays on so you'll stay comfortable. We do all the work, you save the money!



pepco.com

2 WAYS TO SAVE

1

PEAK ENERGY SAVINGS CREDIT

+

2

energy wise rewards™ Maryland

=

MAXIMUM SAVINGS

Your monthly bill will show the guaranteed Energy Wise Rewards credit plus the amount from the Peak Energy Savings Credit that exceeds the Energy Wise Rewards credit.

Si usted necesita recibir esta información en español, favor de llamar al 1-855-639-6383.

pepco.com

1

PEAK ENERGY SAVINGS CREDIT

It's the hands-on way to save money and energy!

Take control and reduce your energy use on Peak Savings Days and you can earn a credit off your bill.

When the temperature goes up in summer so does the demand for electricity. We created the Peak Energy Savings Credit so you can earn a credit by taking control and reducing your energy use during peak electricity use times, generally June through September.



pepco.com

EWR/PESC Combined Brochure: Option 1– Inside

1

PEAK ENERGY SAVINGS CREDIT

Here's how it works:

- 1 **NO ENROLLMENT NECESSARY.** When a Peak Savings Day is announced you'll automatically receive a phone call giving you the hours for reducing your energy use. You can also choose to be notified by email or text.
- 2 **TAKE ACTION.** Reduce your energy use below your baseline on Peak Savings Days to earn a credit off your bill.
- 3 **VIEW YOUR CREDIT.** You'll see your credit on your next bill and online through My Account at pepco.com/myaccount.

The less energy you use on Peak Savings Days, the more money you can save!

NO ENROLLMENT NECESSARY

You don't need to do anything else to participate, but you can manage your preferences and review your energy use online through My Account at pepco.com/myaccount or by calling 1-855-639-6383 (1-855-NEW-METER).

takecontrolmaryland.com/pesc

2

energy wise rewards™

Here's how it works:

- 1 **SIGN UP FOR ENERGY WISE REWARDS.** Call 1-866-353-5798 or visit pepco.com/rewards.
- 2 **CHOOSE YOUR PLAN.** Select your program options and receive \$40-\$80 in Annual Reward Credits off your bill.
- 3 **CHOOSE YOUR DEVICE.** Get a professionally installed web-programmable thermostat or outdoor switch and receive a one-time Installation Credit of \$40-\$80 off your bill.

With Energy Wise Rewards from Pepco, the savings is automatic!

SIGN UP TODAY

Visit pepco.com/rewards or call 1-866-353-5798.

pepco.com/rewards

This program supports the EnPOWER Maryland Energy Efficiency Act.

Choose your Energy Wise Rewards plan

Cycling Option	Temperature Increase	Installation Credit*	Annual Reward Credit**	Total Rewards for First 12 months
50%	1-3 degrees	\$40	\$40	Up to \$80
75%	2-4 degrees	\$60	\$60	Up to \$120
100%	4-7 degrees	\$80	\$80	Up to \$160

Most people start with 50% cycling.

*A one-time credit off your bill. **Annual Reward Credits are paid monthly, June through October. ***You receive rewards for each thermostat or outdoor switch.

Choose your device

Web-Programmable Thermostat

During a Peak Savings Day, your web-programmable thermostat allows us to cycle your system off and on for a few hours when demand for electricity is highest. You have the power to control your temperature settings year-round from home or anywhere you can access the Internet. Plus, choosing energy-saving settings for everyday use can save you up to 10% off heating and cooling costs.¹

OR

Outdoor Switch

Do you already have a web-programmable thermostat of your own? We'll install a switch outdoors near your central air conditioning unit. You won't need to be home as long as your system is easily and safely accessible. Take advantage of an outdoor switch so we can cycle your system off and on during a Peak Savings Day.

¹U.S. Department of Energy

EWR/PESC Combined Brochure: Option 2: Outside

2

energy wise rewards™

It's the automatic way to save money and energy!

As a participant in Energy Wise Rewards™ from Pepco, you receive guaranteed savings. Now you can save even more when you also participate in the Peak Energy Savings Credit!

You received an Energy Wise Rewards Installation Credit of \$40-\$80 off your bill, depending on the cycling level you chose, after we installed your web-programmable thermostat or outdoor switch. You'll continue to receive another \$40-\$80 in Annual Reward Credits as long as you participate in the program.

Reduce the energy you use on more than just your central air conditioning system and earn more credits off your bill with the Peak Energy Savings Credit!



1

PEAK ENERGY SAVINGS CREDIT

It's the hands-on way to save money and energy!

Take control and reduce your energy use on Peak Savings Days and you can earn a credit off your bill.

When the temperature goes up in summer so does the demand for electricity. We created the Peak Energy Savings Credit so you can earn a credit by taking control and reducing your energy use during peak electricity use times, generally June through September.



2 WAYS TO SAVE

PEAK ENERGY SAVINGS CREDIT for energy wise rewards Maryland participants

Saving money and energy has never been easier!

2

Participate in Both Programs!

1 PEAK ENERGY SAVINGS CREDIT + 2 energy wise rewards Maryland = MAXIMUM SAVINGS

Your monthly bill will show the guaranteed Energy Wise Rewards credit plus the amount from the Peak Energy Savings Credit that exceeds the Energy Wise Rewards credit.

Si usted necesita recibir esta información en español, favor de llamar al 1-855-639-6383.




Lowering the demand for electricity helps to reduce emissions that otherwise would have been used to generate energy.

EWR/PESC Combined Brochure: Option 2: Inside

1

PEAK ENERGY SAVINGS CREDIT

Here's how it works:

1. **NO ENROLLMENT NECESSARY.** When a Peak Savings Day is announced you'll automatically receive a phone call giving you the hours for reducing your energy use. You can also choose to be notified by email or text.
2. **TAKE ACTION.** Reduce your energy use below your baseline on Peak Savings Days to earn a credit off your bill.
3. **VIEW YOUR CREDIT.** You'll see your credit on your next bill and online through My Account at pepco.com/myaccount.

The less energy you use on Peak Savings Days, the more money you can save!

NO ENROLLMENT NECESSARY
You don't need to do anything else to participate, but you can manage your preferences and review your energy use online through My Account at pepco.com/myaccount or by calling 1-855-639-6383 (1-855-NEW-METER).

2

energy wise rewards™

Here's how it works:

1. **ENJOY THE AUTOMATIC SAVINGS.** On Peak Savings Days, your central air conditioning system will be cycled off and on to help conserve energy. You'll receive guaranteed savings off your bill.
2. **CHOOSE TO SAVE MORE.** Lower your energy use even more on Peak Savings Days and receive an additional \$1.25 off your bill for every kilowatt hour (kWh) below your baseline as part of the Peak Energy Savings Credit. *(More information is available to the left.)*
3. **ENJOY YOUR ADDITIONAL REWARDS.** Your savings will appear as credits off your next bill.

With Energy Wise Rewards from Pepco, the savings is automatic!

GET MORE INFORMATION
For answers to your questions about Energy Wise Rewards, visit pepco.com/rewards or call 1-866-353-5798.

This program supports the EmPOWER Maryland Energy Efficiency Act.

Your Energy Wise Rewards Benefits

Cycling Option	Average Temperature Reduction	Installation Credit*	Annual Payment Credit**	Total Rewards for First 12 months***
50%	1-3 degrees	\$40	\$40	Up to \$80
75%	2-4 degrees	\$60	\$60	Up to \$120
100%	4-7 degrees	\$80	\$80	Up to \$160

*Want to change your cycling level? Call 1-866-353-5798.
A one-time credit off your bill. *Annual Reward Credits are paid monthly, June through October. ****You receive rewards for each thermostat or outdoor switch.

Want to change your device?

Web-Programmable Thermostat
During a Peak Savings Day, a web-programmable thermostat allows us to cycle your system off and on for a few hours when demand for electricity is highest. You have the power to control your temperature settings year-round from home or anywhere you can access the Internet. Plus, choosing energy-saving settings for everyday use can save you up to 10% off heating and cooling costs.*

OR

Outdoor Switch - An outdoor switch is a small device installed outside your home near your central air conditioning unit. You won't need to be home as long as your system is easily and safely accessible. Take advantage of an outdoor switch so we can cycle your system off and on during a Peak Savings Day.




You'll receive a credit of \$1.25 off your bill for every kilowatt hour (kWh) you reduce your energy use below your baseline on Peak Savings Days. For example, if your baseline is 19 kWh and you reduce your usage to 12 kWh, you'll receive a \$8.75 credit. You can find your baseline by logging into My Account or calling 1-855-639-6383 (1-855-NEW-METER).

USE THESE TIPS TO SAVE MONEY AND ENERGY

Action	Estimated Savings
Wait a day before using your clothes dryer	4 kWh
Raise the setting of your air conditioning 1-3 degrees	4 kWh
Avoid cooking a large meal in your oven	3 kWh
Turn off the TV when you're not watching	Less than 1 kWh
Turn off unnecessary lights	Less than 1 kWh
Turn off your computer when not in use	Less than 1 kWh

Find more useful tips at takecontrolmaryland.com/pesc

There is no enrollment necessary and no downside to participation in this program. If you don't reduce your energy use during a Peak Savings Day there is no penalty of any kind or change to your bill. You have everything to gain and nothing to lose!

MAXIMIZE YOUR SAVINGS
Participate in both
Peak Energy Savings Credit
and **Energy Wise Rewards**

takecontrolmaryland.com/pesc

pepco.com/rewards

*U.S. Department of Energy

PESC Brochure (with EWR Mention) – Outside

Reduce your energy use on Peak Savings Days and you can earn a credit off your bill.

When the temperature goes up in summer so does the demand for electricity. We created the Peak Energy Savings Credit so you can earn savings by taking control and reducing your energy use during the hottest summer days.

Saving money this summer is as easy as 1-2-3!

- 1 NO ENROLLMENT NECESSARY.** When a Peak Savings Day is announced you'll automatically receive a phone call giving you the hours for reducing your energy use. You can also choose to be notified by email or text.
- 2 TAKE ACTION.** Reduce your energy use below your baseline during the specific hours of the Peak Savings Day to earn a credit off your bill.
- 3 VIEW YOUR CREDIT.** You'll see your credit on your next bill or online through My Account at pepco.com/myaccount.

The less energy you use, the more money you can save!

Saving is easy with energy wise rewards™

Energy Wise Rewards™ from Pepco makes savings automatic. Sign up and we'll install a web-programmable thermostat or outdoor switch at your home at no charge. Then, when demand for energy is highest, June through September, we'll automatically cycle off and on your central air conditioner or heat pump. You'll stay comfortable while saving money! Your monthly bill will show the guaranteed Energy Wise Rewards credit plus the amount from the Peak Energy Savings Credit that exceeds the Energy Wise Rewards credit.

Get an Installation Credit of \$40-\$80 off your bill after we install your device and Annual Reward Credits of up to \$80 over the summer!

Maximize your savings! Sign up for Energy Wise Rewards and participate in the Peak Energy Savings Credit!

To learn more or sign up for Energy Wise Rewards today, visit pepco.com/rewards or call 1-866-353-5796.

This program supports EnPOWER Maryland.



pepco.com

Introducing your



PEAK ENERGY SAVINGS CREDIT

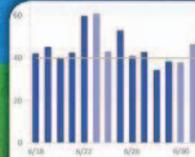
It's the hands-on way to save money and energy!

EVERYTHING YOU NEED TO KNOW IS INSIDE



pepco.com

Lowering the demand for electricity helps to conserve resources that otherwise would have been used to generate energy.



Peak Energy Savings Credit

Peak Savings Date	Peak Savings Period	Peak Savings Use (kWh)
07/18	12 PM - 3 PM	17
07/22	12 PM - 3 PM	22
07/26	12 PM - 3 PM	18
08/02	12 PM - 3 PM	15
08/06	12 PM - 3 PM	14
08/10	12 PM - 3 PM	13
08/14	12 PM - 3 PM	12
08/18	12 PM - 3 PM	11
08/22	12 PM - 3 PM	10
08/26	12 PM - 3 PM	9
09/01	12 PM - 3 PM	8
09/05	12 PM - 3 PM	7
09/09	12 PM - 3 PM	6
09/13	12 PM - 3 PM	5
09/17	12 PM - 3 PM	4
09/21	12 PM - 3 PM	3
09/25	12 PM - 3 PM	2
09/29	12 PM - 3 PM	1
10/03	12 PM - 3 PM	0

PESC Brochure (with EWR Mention) – Inside

YOU'VE GOT QUESTIONS. We've got the answers.

Q. What's the purpose of the Peak Energy Savings Credit program?

A. The program is designed to reduce energy use when demand for electricity is highest. We made it rewarding for customers like you by offering credits off your bill when you reduce your energy use at home during Peak Savings Days. It's also rewarding for the environment, because lowering the demand for energy helps to conserve resources.

Q. How do I earn a credit off my bill?

A. You'll receive a credit of \$1.25 off your bill for every kilowatt hour (kWh) you reduce your energy use below your baseline on Peak Savings Days.

Q. How much money can I save?

A. The more you reduce your energy use below your baseline during a Peak Savings Day, the bigger your credit. For example, if your baseline is 19 kWh and you reduce your usage to 12 kWh, you'll receive a \$8.75 credit.

Q. When do Peak Savings Days happen?

A. Think of those hot days when air conditioners are running everywhere and people are doing whatever they can to beat the heat. That usually results in higher (or "peak") demand for electricity. You will have several opportunities to save during Peak Savings Days depending on how many very hot days we experience. Peak Savings Days generally occur June through September between noon and 8:00pm and usually last 3-4 hours.

Q. How do I find out about a Peak Savings Day?

A. You'll automatically receive a notice by phone the day prior to a Peak Savings Day. You can also choose to be notified by email or text, or change phone numbers, through My Account at pepco.com/myaccount. In addition, you can use My Account to view your baseline level of energy use that you'll need to stay below in order to earn a credit. If you don't have Internet access you can call us at 1-855-639-6383 (1-855-NEW-METER) to get your energy use information and baseline.

Q. How can I reduce the amount of energy I use?

A. That's as simple as turning off lights, waiting to run your clothes dryer until later or setting the temperature on your air conditioner a few degrees higher.

USE THESE TIPS TO SAVE MONEY AND ENERGY

Action	Estimated Savings
Wait a day before using your clothes dryer	4 kWh
Raise the setting of your air conditioning 1-2 degrees	4 kWh
Avoid cooking a large meal in your oven	3 kWh
Turn off the TV when you're not watching	Less than 1 kWh
Turn off unnecessary lights	Less than 1 kWh
Turn off your computer when not in use	Less than 1 kWh

Find more useful tips at takecontrolmaryland.com/pesc

Q. HOW DO I PARTICIPATE?

There is no enrollment necessary, and you can manage your preferences and review your energy use online through My Account at pepco.com/myaccount or by calling 1-855-639-6383 (1-855-NEW-METER).

Q. What if I don't reduce my energy use?

A. There is no downside to participation in this program. If you don't reduce your energy use during a Peak Savings Day there is no penalty of any kind. You have everything to gain and nothing to lose!

Q. Where can I view my bill credit?

A. Log in to My Account after a Peak Savings Day and view your credit. It will also appear on your next bill.



Peak Energy Savings Credit

Peak Savings Date	Peak Savings Period	Peak Savings Use (kWh)	Baseline (kWh)	Preliminary Credit
07/18	12 PM - 3 PM	17	19	\$1.50 Preliminary
07/18	3 PM - 8 PM	8	19	\$1.25 Preliminary

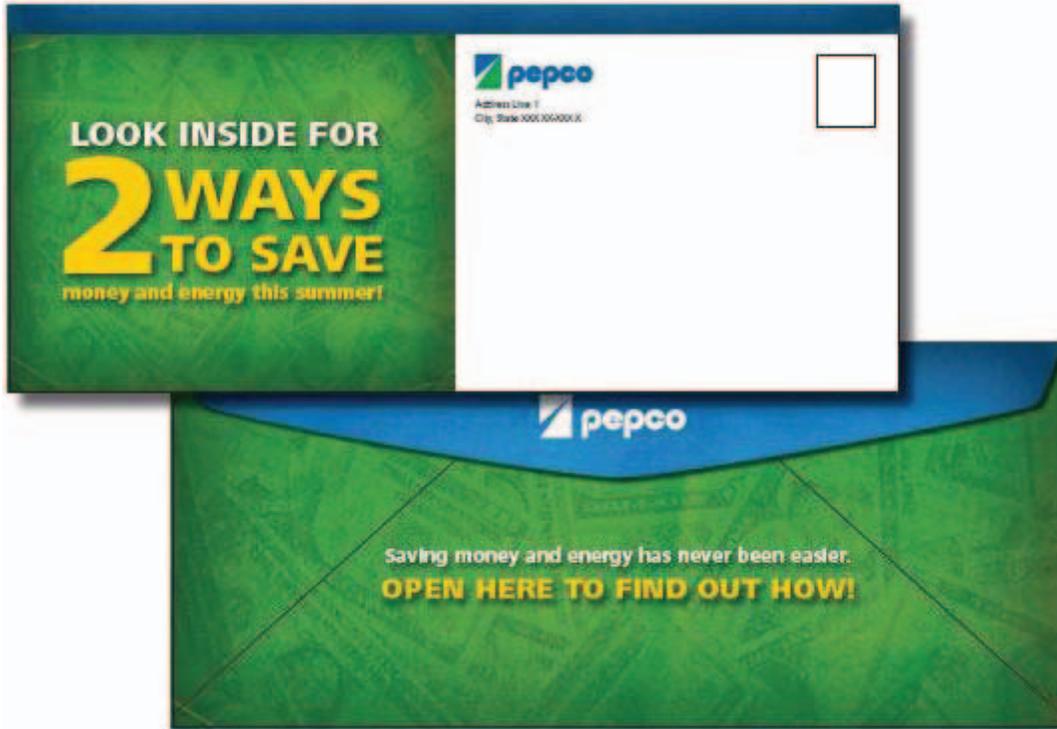
The content above is for illustrative purposes only.

It's easy to view your energy use with charts like this available through My Account at pepco.com/myaccount.

Get your energy use information on the "Energy Use and Bill Data" section of My Account online at pepco.com/myaccount or by calling 1-855-639-6383 (1-855-NEW-METER).

takecontrolmaryland.com/pesc

EWR/PESC Envelope



PESC Magnet



E-Blast

DRAFT

▪ Screenshot of Takecontrolmaryland.com/pesc

The screenshot shows the Pepco website page for the Peak Energy Savings Credit program. The page features the Pepco logo and tagline "Your life. Plugged in." at the top left. A navigation bar includes links for "What is a Smart Meter?", "Understanding Your Smart Meter Data", and "Save Energy". The main heading is "PEAK ENERGY SAVINGS CREDIT". Below this, there is an introductory section titled "INTRODUCING PEPCO'S PEAK ENERGY SAVINGS CREDIT" which explains that users can earn a credit on their bill by reducing energy use on "Peak Savings Days" between June and September. A "FREQUENTLY ASKED QUESTIONS" section follows, with sub-sections for "What is Pepco's Peak Energy Savings Credit?" and "What is a Bill Credit?". On the right side, there is a photo of a woman and a "SIGN UP FOR MY ACCOUNT" button with instructions on how to sign up.

Pepco's smart meter website is your informational resource to learn everything you need to know about your new smart meter.

pepco
Your life. Plugged in.™

What is a Smart Meter? Understanding Your Smart Meter Data Save Energy

PEAK ENERGY SAVINGS CREDIT

INTRODUCING PEPCO'S PEAK ENERGY SAVINGS CREDIT

This summer, you can earn a credit on your bill by reducing energy use on **Peak Savings Days**.

Pepco now offers you a new way to reduce your energy bills on hot summer days with the **Peak Energy Savings Credit**.* Between June and September, you can earn a credit on your bill by reducing your energy use during designated hours which typically occur on weekdays between 12 p.m. and 8 p.m. on Peak Savings Days.

This page is designed to help you prepare for the Peak Energy Savings Credit. Read the frequently asked questions below to learn about how you can earn a credit on your bill this summer.

**You are among a small number of customers to whom this credit opportunity is being offered in 2012. Your smart meter allows you the opportunity to participate.*

FREQUENTLY ASKED QUESTIONS

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 which typically occur on weekdays between 12 p.m. and 8 p.m. on Peak Savings Days.

What is a Bill Credit?
A Peak Energy Savings Credit 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

SIGN UP FOR MY ACCOUNT

HERE'S HOW:

- Before going online, please have a copy of your last Pepco bill.

▪ Frequently Asked Questions – Front

INTRODUCING PEPCO'S PEAK ENERGY SAVINGS CREDIT

pepco.com

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 8 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-XXXX) 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-XXXX).

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 1-866-353-5798. For more information or to see an example of how Energy Wise Rewards works with the Peak Energy Savings Credit, visit takecontrolmaryland.com/pecc or call XXX-XXX-XXXX (XXX-XXX-XXXX) and ask to speak with an Energy Advisor.


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For more information visit takecontrolmaryland.com/pecc

■ Frequently Asked Questions – Back

INTRODUCING PEPCO'S PEAK ENERGY SAVINGS CREDIT

pepco.com

How is My Baseline Determined?
Your Peak Energy Savings baseline is determined from your average energy used during similar peak hours. Pepco uses the three days with the highest usage during the prior 30-day period. This excludes the day prior to a Peak Savings Day, previous Peak Savings Days, weekends and holidays.

How Do I Choose My Preferences for These Notifications?
You will be allowed to specify notification preferences from three channels: phone, email or text. If you do not specify any preferences, notifications will be made to the service location/primary phone number as designated in Pepco's records. If you are already signed up for *My Account*, you can log on and select your preferences starting June 1, 2012. If you have not signed up for *My Account*, we encourage you to do so at pepco.com. If you do not have access to a computer and would like to choose your preferences, please feel free to speak to a representative at Pepco's Smart Meter Information line at XXX-XXX-XXXX (XXX-XXX-XXXX) and let them know you would like to select your notification preferences for the Peak Energy Savings Credit.

When Will I be Notified of a Peak Savings Day?
Pepco will attempt to notify you by 8 p.m. the day before the Peak Savings Day. Pepco will notify you of the actual date and time frame in which you can take advantage of the Peak Energy Savings Credit.

There may be certain days during the summer when the regional transmission organization experiences an unpredicted strain on the electric system. These urgent events may result in Pepco not providing full advance notice to customers of Peak Savings Days. In these situations, Pepco will alert customers as soon as it can, and customers can then make the decision to reduce energy use if possible and receive the Peak Energy Savings Credit. There will be no penalty for customers who do not participate.

Is Participation Mandatory?
All customers selected for the Peak Energy Savings Credit are automatically enrolled in this program; however there is no penalty if you do not choose to participate. Your bill will remain the same as if you were not enrolled in the program. You will only receive a credit if you lower your energy use below your baseline.

Am I Eligible to Participate in the Peak Energy Savings Credit?
If you have received information about the Peak Energy Savings Credit at your home, you are most likely eligible to participate. If you have chosen a third party supplier prior to September 30th, you will no longer be eligible for the credit.

In 2013, when the Peak Energy Savings Credit is rolled out to all Pepco customers, all customers will be eligible for this program.

How Can I Find the Credit On My Bill?
You will be able to review your participation results by logging on to *My Account* after the Peak Savings Day or by viewing your next bill. You can also call Pepco's Smart Meter Information line at XXX-XXX-XXXX (XXX-XXX-XXXX) and ask a representative for your credit amount.

Is This Credit Only Available in the Summer?
The hottest days of summer require power producers to run their most expensive units to meet the demand for electricity. Those high market costs ultimately are passed along to all electricity customers in rates. Pepco recognizes that reducing the total peak demand, even by a small amount on those days, can result in considerable cost savings to customers.

I Generate My Own Energy from a Renewable Source. Can I Participate in the Peak Energy Savings Credit?
If you have recently installed solar paneling or other renewable-powered generating equipment in your home, please feel free to call Pepco's Smart Meter Information line at XXX-XXX-XXXX (XXX-XXX-XXXX) to determine whether or not you qualify.

Si usted necesita recibir esta información en español, favor de llamar al XXX-XXX-XXXX



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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 Pepco 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.

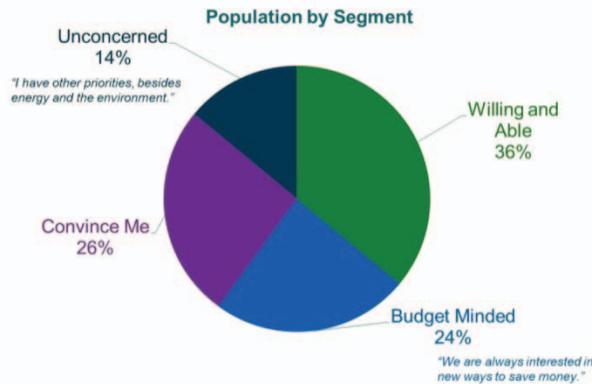
Methodology:

- 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:

General Smart Meter Awareness and Favorability <ul style="list-style-type: none"> • Level of understanding 	Demographics <ul style="list-style-type: none"> • Internet access available at home • Average Pepco bill amount • Income • Education • Age • Race • Primary form of transportation • Own or rent home • Type of home
Energy Use <ul style="list-style-type: none"> • Actions previously taken to save energy • Perceived obstacles to saving energy in your home • Participation in Pepco energy efficiency programs 	
Current Media Use and Behavior <ul style="list-style-type: none"> • News sources consulted on a regular basis • Use social media • Mobile data usage 	
Satisfaction with Pepco <ul style="list-style-type: none"> • Trust in the Company • Performance in environmental preservation • Performance in customer service • Payment plans and billing flexibility 	
Environment and Energy Use: Attitudes and Behaviors <ul style="list-style-type: none"> • Contribute time or money to environmental organizations • Belief that global warming is real 	Pepco Programs, Energy Efficiency <ul style="list-style-type: none"> • Use Budget Billing and/or <i>My Account</i> tool • Likelihood to participate in Critical Time Rate Plans, Time of Use Rate Plans, and/or Cycling • Preferred access methods for energy use data
Economic Views <ul style="list-style-type: none"> • Current financial situation in household better/worse than a year ago 	
	Diffusion of Innovation/Shopping Preferences and Behaviors <ul style="list-style-type: none"> • Likelihood to purchase new technology products • Confidence that energy-efficient products will help save money • Belief that Energy Star appliances are “worth it” • Level of concern about household budget

Key Findings:

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



- 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:

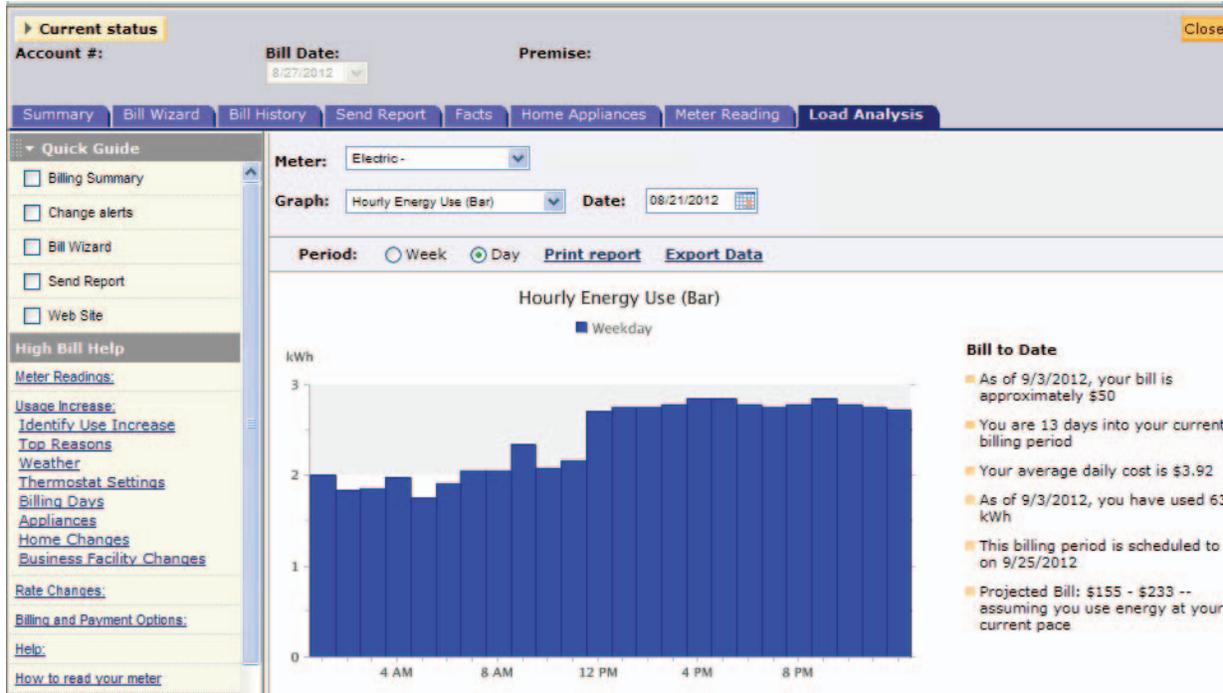
- Four focus groups were conducted in the Pepco and Delmarva Power service territory. A total of 37 customers were included.
 - Two in Pepco's jurisdiction representing District of Columbia customers and a mix of Montgomery County and Prince Georges County customers.
 - Two in Newark, DE representing 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

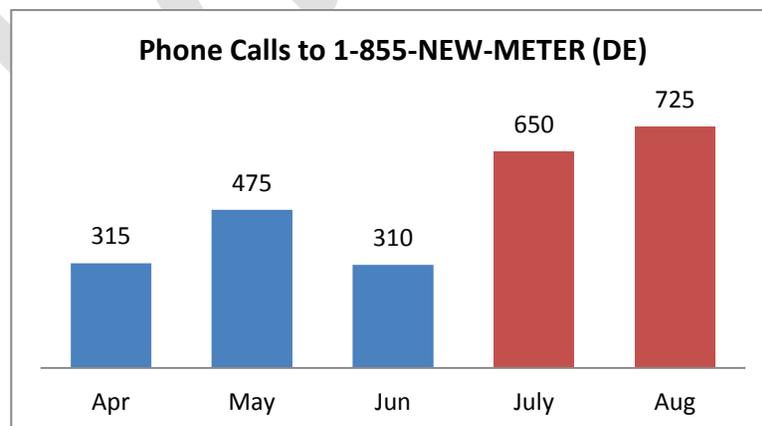
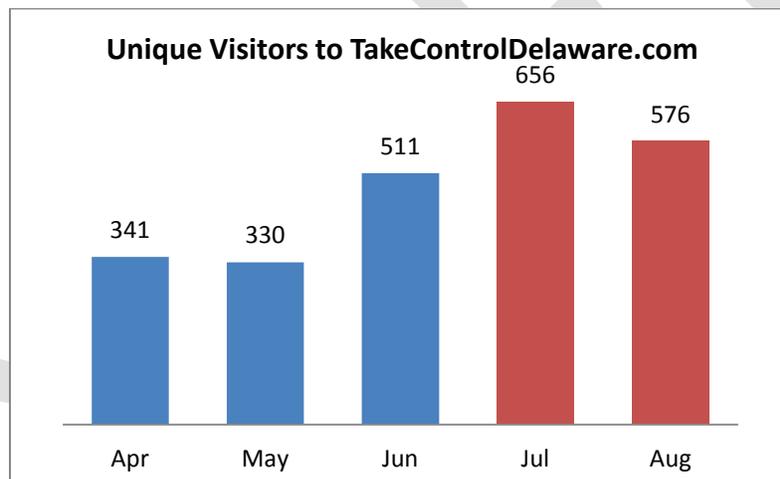


Appendix K: Impact of Advertising in other Jurisdictions

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.



- Indicates level prior to advertising
- 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 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)

included within the group of customers selected for the phase-in program.⁴ 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 20.⁵ 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 be 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 \pm 10 percent.⁶

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.

- 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.

Customer Info Packet



Letter



FAQ



Brochure



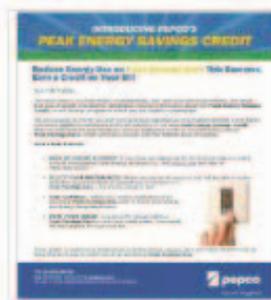
Envelope



Magnet



Postcard



Email

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

June	July	Aug	Sept
Welcome Kits Mailed			Customer Survey
	Postcard Reminder		
Email Campaign			Focus Groups
Made Calls to Customers			

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.

- 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

Account number-

Account Summary as of 09/30/2012

Last payment	\$237.03
Received 09/10/2012 - Thank you!	
Account Balance	\$0.00
Payments recently made may not be reflected in your account balance	

Bill Summary ending- 08/23/2012

Amount due on 09/13/2012	\$237.03
Billing summary amount due is only updated at time of billing	

[View and Pay your Bill](#)

Peak Energy Savings Credit - Earn Bill Credits

- Pepco is now offering bill credits to customers who reduce their energy use during specified hours on Peak Savings Days.
- To earn a bill credit, you will need to lower your energy use below your Peak Energy Savings Credit [baseline](#).
- The more you reduce your energy use below your baseline, the larger your credit will be on your next bill.



[More Information](#)

[Set up Your Peak Energy Credit Savings Notification Preferences](#)

Take Control of Your Energy Use

View your household data

- View your Bills to Date
- See why your bill went up or down
- See how and when your home uses energy

[View Data](#)

Peak Energy Savings Baseline

Reduce your energy use below 20.00 kWh during the Critical Peak event on Thursday, September 20, 2012 from 02:00 PM to 08:00 PM. The more you reduce the greater the opportunity to earn a credit.

Peak Savings Day

A Critical Peak Event is scheduled for Pepco customers in MD on Thursday, September 20, 2012 from 2:00 PM to 8:00 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.

My Account

[My Home](#) | [Send Money to Pepco](#) | [Calculate Your Savings](#) | [Learn About Energy](#)
[Go Home](#) | [Get Website](#)

Bill Center

Service: Gas

Account Summary

Account status as of 8/25/2012

Last Payment: \$237.00
Received 8/12/2012 - Thank you!

Account balance: **\$0.00**
[View & Pay Bill](#)

Bill Summary ending 8/23/2012

Previous balance: \$0.00
Total current charges: \$237.00
Amount Due 9/13/2012: \$237.00

Multiple transactions not displayed here, such as budget billing, credits, refunds etc. Only those that affect the total amount due to you match the sum of the previous balance and total current charges.

Bill History

- Your energy charges were \$40.29 lower for this bill.
- Your electric usage increased for this bill.
- Other Electric service charges need to work \$17.25 lower for this bill.

Bill Analysis

Get more questions about how to find out more about why your bill has changed.

How does my usage compare?

Usage Comparison in kWh

Electric

Get History

View and graph up to 36 months of information from your bills.

When does my house use energy?

Daily Energy Use and Savings

Net: Electric

Bill to Date

- As of 8/23/2012, your bill is approximately \$275.
- You are 30 days into your current billing period.
- Your average bill was \$17.65.
- As of 8/23/2012, you have used 1,824 kWh.
- This billing period is scheduled to end on 9/13/2012.
- Projected bill: \$225 - \$275 - assuming you use energy at your current pace.

Energy Use Analysis

View a 40% of your daily or hourly energy use, loading your energy usage over time, device category.

How does my house compare?

Electricity Use 7/27/2012 to 8/20/2012

Bill: \$227
Avg. Rate

Electricity

Compare to Neighbors Your home used less energy than most of the other homes in your area.

How does my house use energy?

Electricity Use 7/27/2012 to 8/20/2012

Electricity

Control your costs!

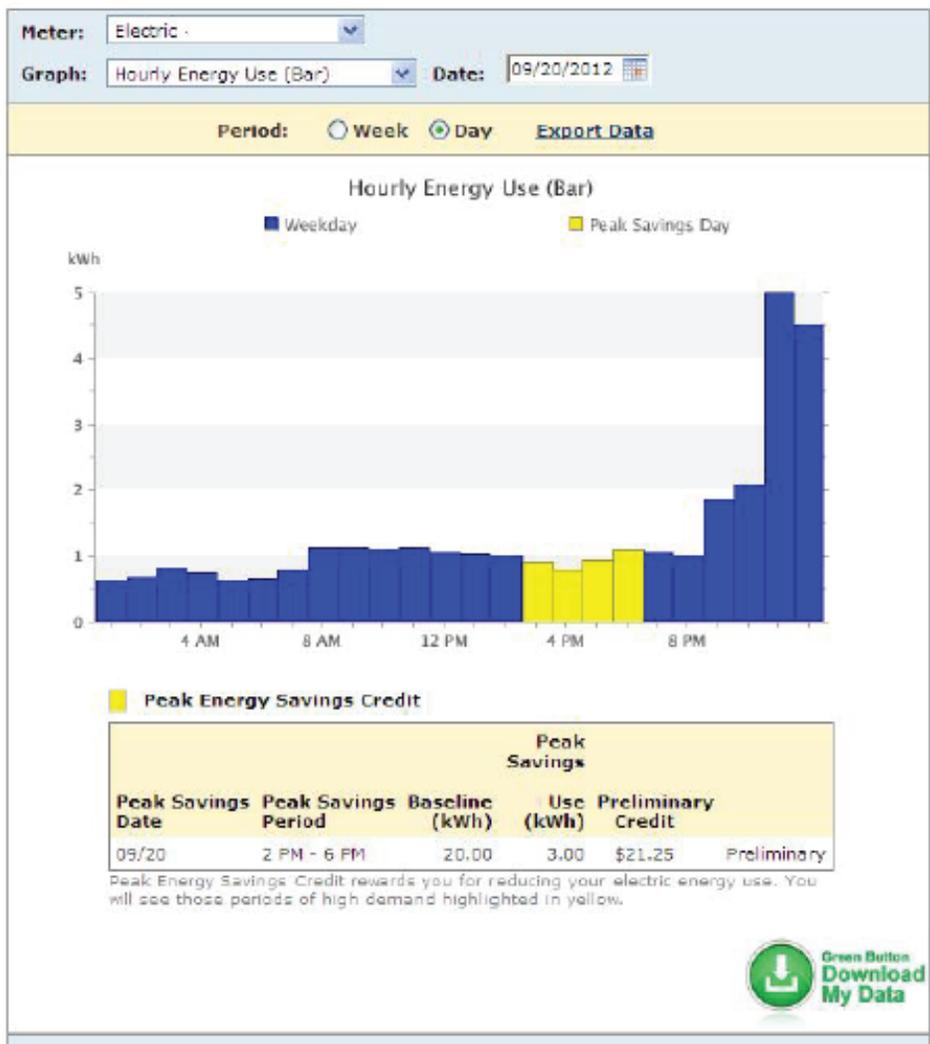
Cooling is your highest energy expense. Click **Find ways to save** to get specific recommendations for reducing your energy costs.

View & Pay Bill

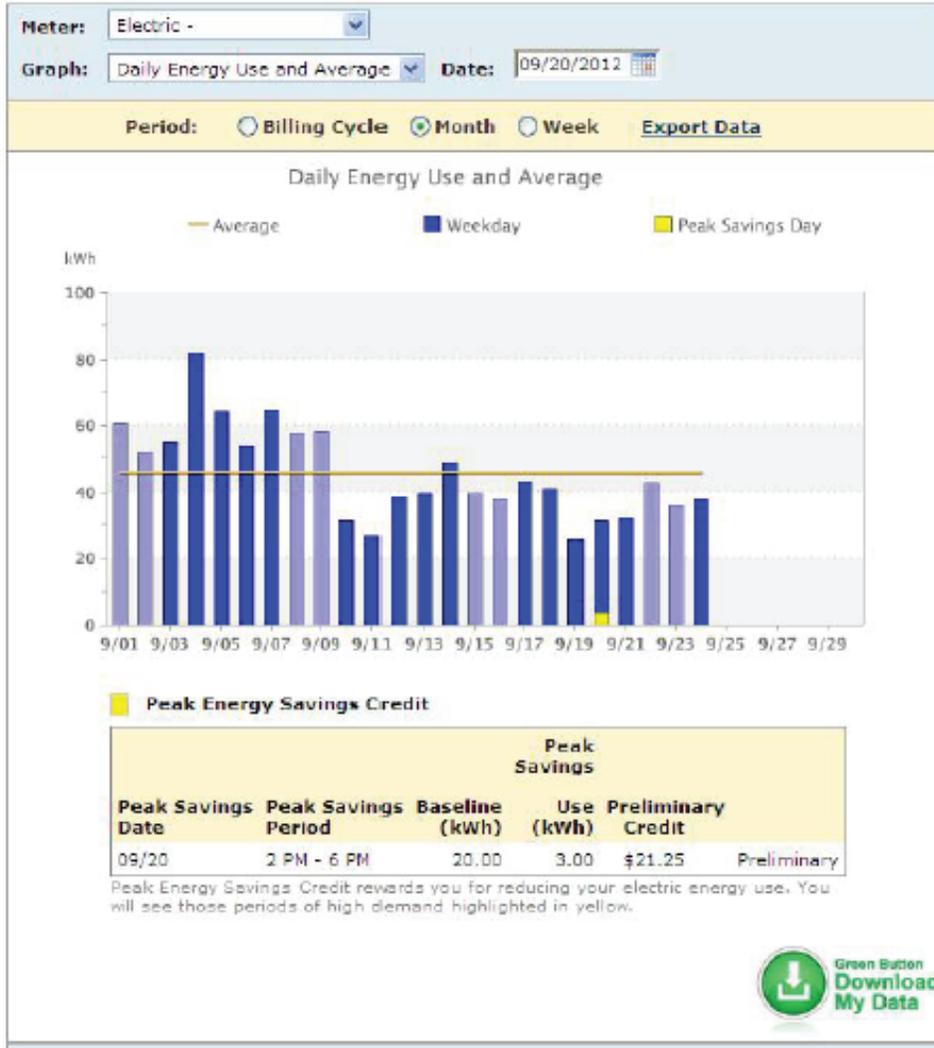
Program Your Energyflex Rewards Thermostat. [Get Started](#)

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.



Pepco Dynamic Pricing Summer 2012 Phase-in Report



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.⁸ 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

⁸ WTHI is defined by Pepco as $WTHI = ((12 * THIT) + (3 * THIT-24) + (2 * THIT-48)) / 17$
Where : $THI = (0.4 * \text{Hourly Dry Bulb Temperature}) + (0.4 * \text{Hourly Wet Bulb Temperature}) + 15$.

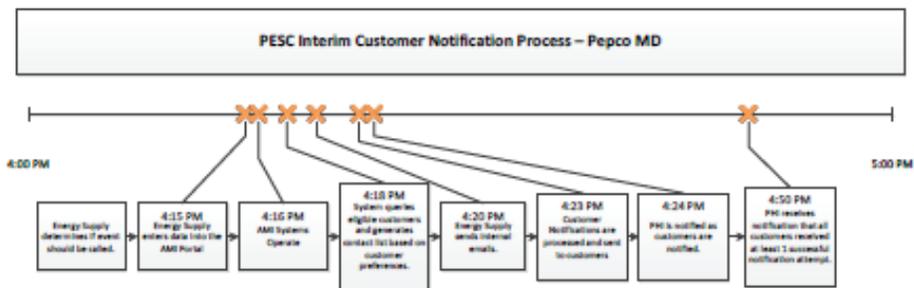
listed in Figure 2 are those that took place for the first event. For each subsequent event, after system modifications were made, the notification period was compressed to a maximum of twenty minutes.

Table 1

PESC Event Date and Times

Event Number	Event Date	Event Times	Maximum Temperature During Event Hours Degrees Fahrenheit/WTHI
1	August 3, 2012	2:00 pm – 6:00 pm	95° F /82.4 WTHI
2	August 24, 2012	2:00 pm – 6:00 pm	88° F/ 78.1 WTHI
3	September 20, 2012	2:00 pm – 6:00 pm	75° F/ 68.9 WTHI

Figure 2



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 2.⁹ 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 2
Event Notification

Notification Type	August 3	August 24	September 20
Phone	4,585	4,553	4,543
email	34	52	62
Text	12	27	29
Total	4,631	4,632	4,634

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.¹⁰ 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.¹¹ 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 20.¹² 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.

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 Customers¹³

All Event Hours: 2 pm to 6 pm	August 3 Event			August 24 Event			September 20 Event Preliminary Results
	No. EWR	EWR	ALL	No. EWR	EWR	ALL	ALL
Number of Eligible Customers	3,750	950	4,700	3,675	1,011	4,686	4,808
Percentage of Customers w/Credit	85%	92%	86%	94%	95%	94%	97%
Total Amount of Credits \$	\$17,979	\$7,045	\$25,024	\$27,930	\$8,374	\$36,304	\$48,464
Total Reduction kWh	13,658	5,647	19,205	22,003	6,655	28,658	38,699
Average Credit \$	\$4.79	\$7.42	\$5.32	\$7.60	\$8.28	\$7.75	\$10.08
Average Reduction kWh	3.64	5.84	4.09	5.99	6.58	6.12	8.03

Table 4
Event Results for All Eligible Customers Receiving Credits

All Event Hours: 2 pm to 6 pm	August 3 Event			August 24 Event			September 20 Event Preliminary Results
	No. EWR	EWR	ALL	No. EWR	EWR	ALL	ALL
Number of Customers Earning Credits	3,184	878	4,062	3,455	957	4,412	4,640
Total Amount of Credits \$	\$17,979	\$7,045	\$25,024	\$27,930	\$8,374	\$36,304	\$48,464
Total Reduction kWh	14,383	5,636	20,019	22,344	6,699	29,043	38,771
Average Credit \$	\$5.65	\$8.02	\$6.16	\$8.08	\$8.75	\$8.23	\$10.44
Average Reduction kWh	4.52	6.42	4.93	6.47	7.00	6.58	8.36

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.

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

	Total Respondents	% of Respondents
	384	
My Account		
Users	189	54%
Non- Users	137	39%
Don't know	25	25%
Energy Wise Rewards		
Participants	129	34%
Non-participants	197	51%
Don't know	58	15%
Receipt of Credit		
Received Credit:	293	76%
Did Not Receive Credit:	91	24%
County		
Prince George's	226	59%
Montgomery County	158	41%

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 home¹⁴, 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.

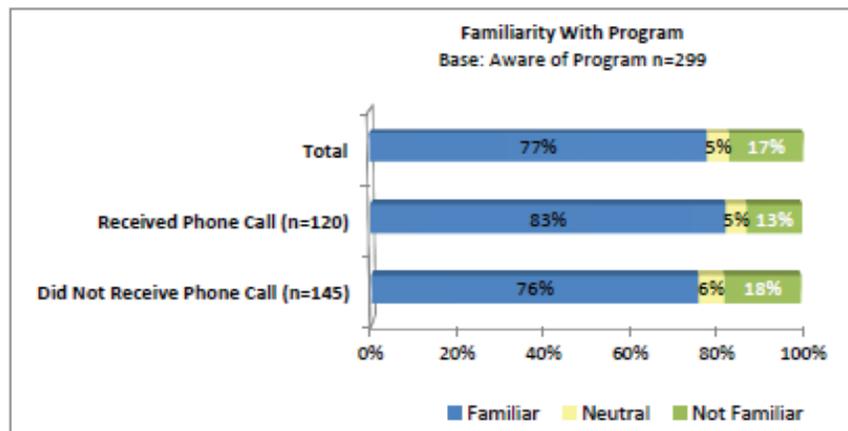
Program Awareness and Participation

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

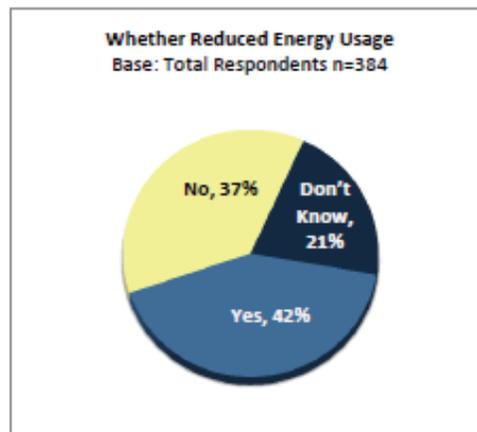


Twenty-nine percent notified Pepco regarding their preferred method of contact for Peak Energy Days. This may be due to the fact that the majority of customers (54%) prefer a telephone call, the default method.

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



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.

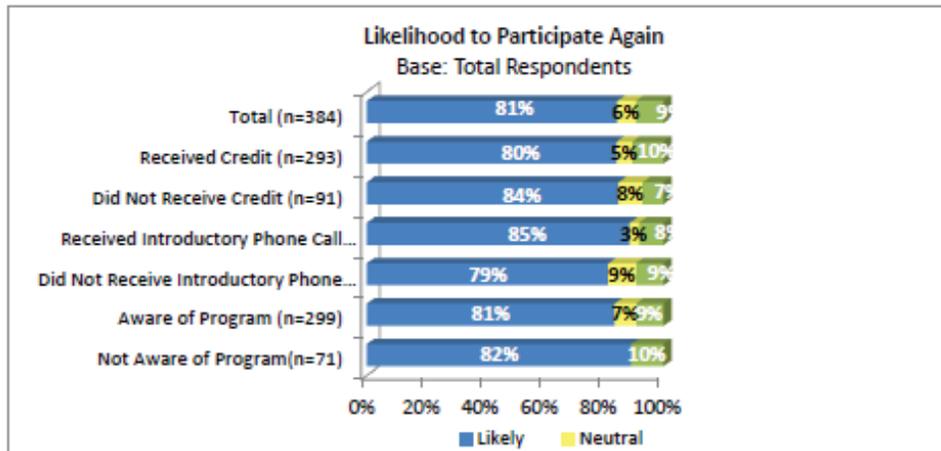
Future Likelihood to Participate

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.

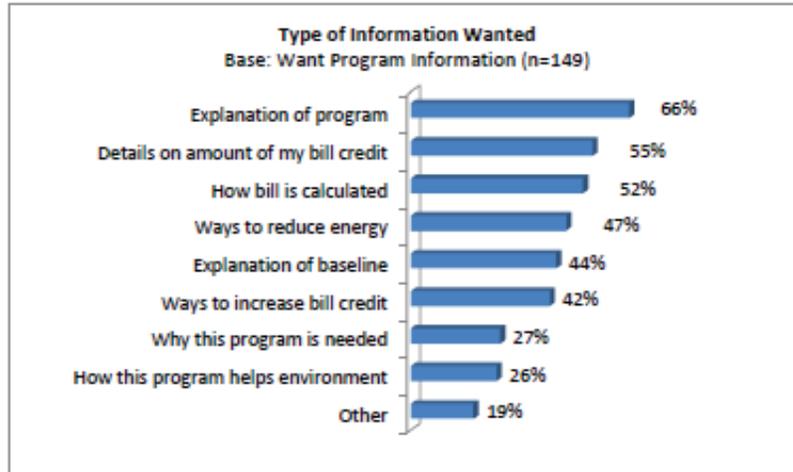
Figure 5



Information Preferences

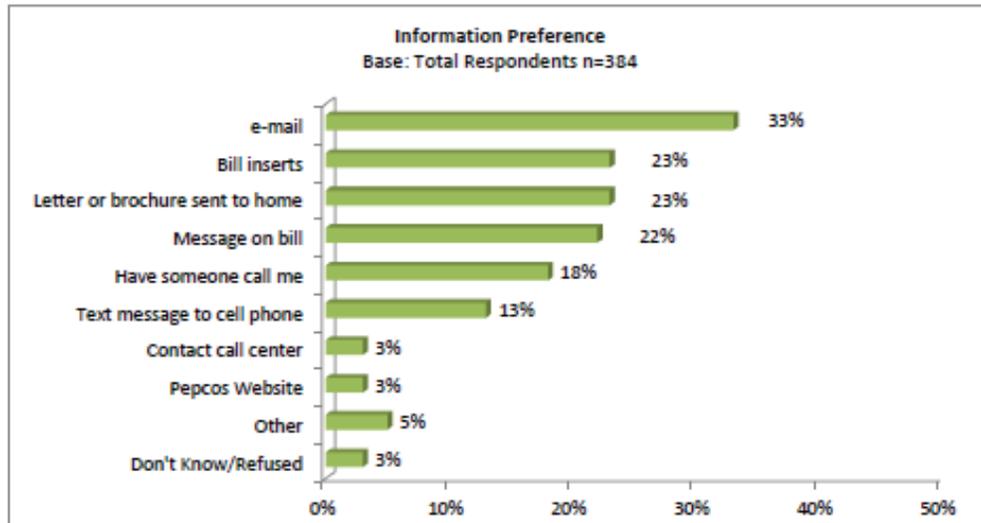
Thirty-nine percent of customers surveyed would like additional information regarding the PESC Program. Customers not currently aware of the program are those most likely to want more information (54% of those unaware of program request more information while only 34% of those aware of the program request additional information). Typically a detailed explanation of the program and how it works is desired.

Figure 6



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.

Figure 7



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.

- 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 PESG 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 to 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.

- 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

Activity	Cost
Marketing Firm - Creative	\$ 75,713.58
Postcards	\$ 3,475.96
Toolkit	\$ 5,188.67
Brochure	\$ 804.71
FAQ	\$ 773.80
Market Research Materials	\$ 108.29
Customer Calls	\$ 8,085.45
Outbound Notification	\$ 1,500.00
Market Research	\$ 55,000.00
Credits Earned	\$ 109,791.25
Total	\$ 260,441.71

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

Lesson Number	Applicability	Lessons learned	Recommendations
1.0	Operational	A computer system automatic email was incorrectly generated for 1,800 My Account customers stating that a rate change related to dynamic pricing had occurred.	This system functionality was deleted. Email messages were sent to affected customers providing a clarification.
1.1	Operational	A manual review was conducted of each customer bill for phase-in participants to ensure the accuracy of each bill.	Review of a sample of bills beginning in 2013 will help to ensure billing accuracy.
1.2	Operational	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.	Conduct additional testing of coding changes before they are installed.
1.3	Operational	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.	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.
2.0	Customer education: Materials	Customer education materials will be revised to reflect customer feedback in terms of wording and streamlining information. The challenge is that customers want thorough	Wording will be streamlined where possible and images added where appropriate, while retaining key messages.

		information but do not want to read a long document.	
2.1	Customer education: Materials	Customers felt that the initial letter included in the education packet was redundant, and unnecessary.	The letter will not be included in the revised customer education packet, or a shorter version may be retained.
2.2	Customer education: Materials	Customers believe the envelopes should indicate both Pepco and Saving Money, but look different from other mailings. Many non-participants said they did not even open the envelope.	Envelopes will be modified to increase attention and differentiate from other Pepco materials.
2.3	Customer education: Materials	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.	Materials, both online and print, focusing on energy savings tips will be developed and promoted to provide concrete tips for customers.
3.0	Customer Education: Messaging	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.	Environmental benefits will be more heavily stressed in some of the educational materials targeting specific segments and as an overall benefit.
3.1	Customer Education: Messaging	Some customers were confused as to why the Peak Savings Day hours were during the day while they were at work	More education is needed to explain why peaks occur during business hours. FAQs, website and materials will provide information.
3.2	Customer Education: Messaging	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.	Pepco is careful not 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.

4.0	Customer education: Tactics	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.
4.1	Customer education: Tactics	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.
4.2	Customer education: Tactics	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.
4.3	Customer education: Tactics	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.
5.0	Logistics	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.
5.1	Logistics	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.
5.2	Logistics	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.

		motivated to go online to set their preferences.	
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.

	Rewards	both programs next year. They could understand why they would not get extra for the cycling.	FAQs will be developed to inform customers interested in a detailed explanation.
7.2	Customer Education: Energy Wise Rewards	Customers want to see the credit on their bill monthly, for both programs.	Currently exploring options to show the two credits, given a monthly true-up.
7.3	Customer Education: Energy Wise Rewards	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.	Developing ways to easily clarify the two programs, and direct customers to detailed materials for programs of interest.

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.

Lesson Number	Applicability	Lessons learned	Recommendations
1.0	Operational	A computer system automatic email was incorrectly generated for 1,800 <i>My Account</i> customers stating that a rate change related to dynamic pricing had occurred.	This system functionality was deleted. Email messages were sent to affected customers providing a clarification.
1.1	Operational	A manual review was conducted of each customer bill for phase-in participants to ensure the accuracy of each bill.	Review of a sample of bills beginning in 2013 will help to ensure billing accuracy.
1.2	Operational	The <i>My Account</i> vendor updated its system coding after an event. This coding change removed the credit from each customer's <i>My Account</i> page. No bills were affected by this error and the <i>My Account</i> system was corrected.	Conduct additional testing of coding changes before they are installed.
1.3	Operational	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.	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.
2.0	Customer education: Materials	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.	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.
2.1	Customer education: Materials	Customers felt that the initial letter included in the education packet was redundant, and unnecessary.	The letter will not be included in the revised customer education packet, or a shorter version may be retained.
2.2	Customer education:	Customers think that the envelopes should indicate both	Envelopes will be modified to increase attention and

	Materials	Pepco and Saving Money, but look different from other mailings. Many non-participants said they did not even open the envelope.	differentiate from other Pepco materials.
2.3	Customer education: Materials	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.	Materials, both online and print, focusing on energy savings tips will be developed and promoted to provide concrete tips for customers.
3.0	Customer Education: Messaging	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.	Environmental benefits will be more heavily stressed in some of the educational materials targeting specific segments and as an overall benefit.
3.1	Customer Education: Messaging	Some customers were confused as to why the Peak Savings Day hours were during the day while they were at work.	More education is needed to explain why peaks occur during business hours. FAQs, website and materials will provide information.
3.2	Customer Education: Messaging	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.	Pepco is careful not 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.
4.0	Customer education: Tactics	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.
4.1	Customer education: Tactics	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.
4.2	Customer education: Tactics	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.
4.3	Customer education: Tactics	Customers think 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.
5.0	Logistics	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.
5.1	Logistics	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.
5.2	Logistics	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 motivated to go online to set their preferences.	The robocall will continue to be used to notify customers of events. Automated options for setting preferences in addition to <i>My Account</i> are under consideration.
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	<i>My Account</i> Screens	When aware of the tools on <i>My Account</i> , many customers plan to visit <i>My Account</i> 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 <i>My Account</i> .
6.1	<i>My Account</i> Screens	Customers would like access to their credit amount and tools for viewing their hourly usage on their <i>My Account</i> landing page.	Currently exploring options to streamline access to hourly usage graphs.
6.2	<i>My Account</i> Screens	Customers think Bill to Date is a key tool for <i>My Account</i> and many expressed interest in using it.	Continue educating customers on tools most relevant to them.
6.3	<i>My Account</i> Screens	Customers would like to easily navigate to the screen for setting	Add ability to set preferences on static left navigation bar.

		preferences.	
6.4	<i>My Account</i> Screens	Customers would like a reminder within <i>My Account</i> to remind them to set their preferences.	Explore online options for reminding current <i>My Account</i> 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 Rewards	Customers were not very concerned about getting the “net credit” for participating in both programs next year. They could understand why they would not get extra for the cycling.	Language describing the credit method should be straightforward. FAQs will be developed to inform customers interested in a detailed explanation.
7.2	Customer Education: Energy Wise Rewards	Customers want to see the credit on their bill monthly, for both programs.	Currently exploring options to show the two credits, given a monthly true-up.
7.3	Customer Education: Energy Wise Rewards	Customers want a brief description of both programs on the postcard, described as two options. They find EWR confusing but do not want to read a lot about it.	Developing ways to easily clarify the two programs, and direct customers to detailed materials for programs of interest.

Appendix N: Opt-out Talking Points for the Call Center

Maryland PSC Opt-out Interim Order
Talking Points
January 2013

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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.

DRAFT

CERTIFICATE OF SERVICE

I hereby certify that on behalf of Potomac Electric Power Company, the forgoing 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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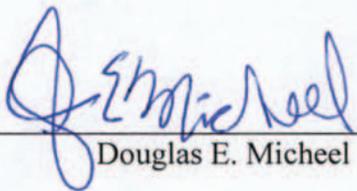
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