



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

04-25-11
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Application of Pacific Gas and Electric Company (U 39 M) for Approval of Modifications to its Smart Meter Program and Increased Revenue Requirements to Recover the Costs of the Modifications.

Application 11-03-014
(Filed March 24, 2011)

PROTEST OF AGLET CONSUMER ALLIANCE

1. Introduction

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, Aglet Consumer Alliance (Aglet) submits this protest to the application of Pacific Gas and Electric Company (PG&E) for approval of modifications to its Smart Meter program. The modifications would allow residential customers to "opt out" of the program, in order to reduce radio frequency emissions on their premises. PG&E proposes to recover \$84.4 million of associated electric and gas revenue requirements during the years 2012 and 2013. (PG&E Prepared Testimony, p. 3-9, Table 3-6.)

Aglet objects to granting the approval sought in the application.

PG&E filed the application on March 24, 2011. Notice appeared in the Commission's Daily Calendar on March 25. The due date for protests is Monday, April 25. Aglet will file this protest electronically on the due date.

2. Category of Proceeding

Aglet concurs with PG&E's request to categorize the application as a ratesetting proceeding. (Application, p. 9.)

3. Grounds for Protest

3.1 Meter Reading Protocols

Aglet opposes PG&E's plan to continue installation of Smart Meters for all residential customers, even for customers that opt out of the program. It makes more sense that installation of Smart Meters at a given residence be deferred until a customer at the residence accepts Smart Meters. Aglet disagrees with PG&E's assertion that "Smart Meters are a critical tool in California's energy future." (PG&E Prepared Testimony, p. 1-4.) Aglet is not convinced by PG&E's claim that "it is more expensive to serve customers who are not part of the Smart Grid than it is to serve those customers who participate in the Smart Grid." (PG&E Prepared Testimony, p. 1-10.)

Aglet does not agree with PG&E's proposal that meter readers must visit every residence monthly in order to "assess the state of the meter diagnostic internal alarms while obtaining meter read information" or that diagnostic information is needed "to assess the condition and health of meter for continued field service." (PG&E Prepared Testimony, p. 2A-3.) Aglet believes that other, less expensive meter reading protocols might generate the needed billing data.

3.2 Meter Reading Costs

Aglet is skeptical of PG&E's claim that it will take a PG&E technician 1-1/2 hours to turn off the radio device in a Smart Meter. (PG&E Prepared Testimony, p. 2A-5.)

Nor does Aglet believe that monthly PG&E meter reading of "opt out" customers is necessary, that site visits by meter readers are necessary, or that all "opt out" customer locations will be dispersed. (PG&E Prepared Testimony, p. 2A-6.)

The Commission should investigate alternative and less expensive methods for recovery of accurate, timely reading of "opt out" customer meters. It appears

to Aglet that the high customer costs proposed by PG&E are meant to punish customers who “opt out.”

3.3 Network and Information Technology Costs

Aglet is skeptical of PG&E’s claim that a new network device will be required for every 20 “opt out” customers in medium density neighborhoods, or that a new device will be required for every three “opt out” customers in low density areas. (PG&E Prepared Testimony, p. 2A-7.) Aglet intends to test and analyze PG&E’s network and information technology (IT) costs.

The Commission should review PG&E’s claims that specific IT and customer communication costs will be incremental to costs recovered in present rates. The Commission should also ensure that PG&E efforts “to notify and educate customers so that they may make an informed choice on their alternatives to the existing Smart Meter Program” fairly present information about health impacts of radio frequency signals from Smart Meters. (PG&E Prepared Testimony, p. 2C-1.)

3.4 Allocation of Incremental Costs

Aglet submits that the majority of incremental PG&E costs to create and administer an “opt out” procedure should be allocated to all customers. Smart Meter program costs are assigned to all customers, and the need for an “opt out” process is driven by the Smart Meter program as a whole. It would be unfair to assign all public safety costs associated with Smart Meter emissions only to the victims of hazards created by PG&E.

3.5 Balancing Account Ratemaking

Aglet opposes PG&E’s request for recorded cost ratemaking of the costs of the “opt out” program. (PG&E Prepared Testimony, Chapter 3.) PG&E is asking the Commission for a blank check to pay for program costs that are uncertain at this point. PG&E’s two-way balancing account proposal does not include any reasonableness review of recorded costs. If approved, the proposal would give PG&E an incentive for unlimited spending and assignment of unwarranted costs to

customers that oppose Smart Meters. In hearings, Aglet may introduce alternative ratemaking proposals.

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For the above reasons, Aglet concludes that the specific relief requested in PG&E's application is not justified.

4. Effect of the Application on Aglet Members

Aglet is a group authorized pursuant to its articles of organization and bylaws to represent and advocate the interests of residential and small commercial customers of electrical, gas, water and telephone utilities in California. Aglet has members that are residential customers of PG&E. Aglet believes that if the Commission grants PG&E's application without further review, determination of reasonable program costs, and allocation of costs to all customers, then PG&E's electric and gas rates will be unreasonably high, causing harm to customers that "opt out" of Smart Meter radio frequency signals and possibly to all PG&E customers.

5. Request for Hearing

Aglet requests an evidentiary hearing in this matter. If a hearing is granted, and if Aglet is allowed adequate time to analyze PG&E's showing, Aglet intends to address the following issues at hearing: meter reading protocols, meter reading costs, network and information technology costs, allocation of incremental costs, and balancing account ratemaking. Aglet also recommends that the Commission take evidence on health impacts of Smart Meters, although Aglet does not have expertise in such issues.

The procedural schedule recommended by PG&E (Application, p. 11, with hearings) does not provide adequate time for discovery, preparation of testimony by intervenors, or preparation of a proposed decision. Aglet proposes the following procedural schedule:

April 25, 2011	Protests filed
May 6	Prehearing conference
May 13	Scoping ruling
June 9	Staff and intervenor testimony due
June 17	Rebuttal testimony due
June 27-30	Evidentiary hearings
July 15	Opening briefs
July 22	Reply briefs
September 20	Proposed decision issued
October 10	Comments on proposed decision
October 17	Reply comments on proposed decision
October 20	Commission meeting

Aglet's proposed schedule is challenging, but with cooperation from PG&E in responding to discovery requests it would allow sufficient time for analysis of PG&E's proposal and preparation of testimony, while reaching a Commission decision within a reasonable period of time.

6. Conclusion

The Commission should modify PG&E's requested relief to revise meter reading protocols, reduce requested revenue requirements, allocate the costs of the "opt out" program to all customers, and make PG&E accountable for program spending.

The Commission should allow a reasonable time for discovery and analysis of PG&E's showing, followed by evidentiary hearings on contested issues. Aglet now intends to participate in the hearings.

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Dated April 25, 2011, at Sebastopol, California.

/s/

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CERTIFICATE OF SERVICE

I certify that I have by electronic mail this day served a true copy of the original attached "Protest of Aglet Consumer Alliance" on all parties of record in this proceeding or their attorneys of record. I will mail paper copies of the pleading to Assigned Commissioner Michael Peevey and Administrative Law Judge Timothy Sullivan.

Dated April 25, 2011, at Sebastopol, California.

/s/

James Weil