



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Application of Pacific Gas and Electric)
Company for Approval of Modifications to)
its SmartMeter™ Program and Increased)
Revenue Requirements to Recover the Costs)
of the Modifications (U39M).)
_____)

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

Application of Utility Consumers' Action)
Network for Modification of)
Decision 07-04-043 so as to Not Force)
Residential Customers to Use Smart Meters.)
_____)

Application 11-03-015
(Filed March 24, 2011)

Application of Consumers Power Alliance, Public)
Citizen, Coalition of Energy Users, Eagle Forum of)
California, Neighborhood Defense League of)
California, Santa Barbara Tea Party, Concerned)
Citizens of La Quinta, Citizens Review Association)
Palm Springs Patriots Coalition Desert Valley Tea)
Party, Menifee Tea Party-Hemet Tea Party-)
Temecula Tea Party, Rove Enterprises, Inc.,)
Schooner Enterprises, Inc., Eagle Forum of San)
Diego, Southern Californians For Wired Solutions)
To Smart Meters, and Burbank Action For)
Modification of D.08-09-039 and A Commission)
Order Requiring Southern California Edison)
Company (U338E) To File An Application For)
Approval of A Smart Meter Opt-Out Plan.")
_____)

Application 11-07-020
(Filed March 24, 2011)

PREHEARING CONFERENCE STATEMENT OF UTILITY CONSUMERS' ACTION NETWORK

Pursuant to April 24, 2012 ruling by ALJ Yip-Kikugawa, UCAN offers this prehearing conference statement. UCAN's counsel will be unable to attend the conference in person and thus offers this statement to address the questions that

will likely be addressed during the conference. This statement is also offered to serve as an appearance so that UCAN can remain on the service list as a party.

Scope of the Proceeding

As indicated in D. 12-04-019, this second phase is necessary to consider cost and cost allocation issues.¹ UCAN anticipates the issues within this second phase will include:

1. Establishing a uniform methodology by which the utilities will determine costs and cost allocation.
2. Determining the number of customers who opted out.
3. Determining the revenues anticipated to be provided by these customers.
4. Determining the additional costs caused by the actions of these particular customers.
5. Establishing a total additional revenue need to cover the costs of this opt-out program.
6. Establishing the effectiveness of the program, i.e. whether the costs were reasonable and the quality of service to these customers acceptable.
7. Developing a methodology by which the utilities' costs can be compared to one another so as to help determine reasonableness.
8. Allocating the reasonably incurred costs among customer classes in a fair and equitable manner.

Procedural Schedule

UCAN does not propose a specific schedule for this second phase. However, it submits that the testimony submitted by the utilities and intervenors must allow for a sufficient period of time by which the utilities have completed

¹ D. 12-04-019, p. 24

most all of the meter change-outs and customers have settled into the new billing regimen. UCAN estimates that this will take the better part of 2012 to determine. Thus it is appropriate that utilities not submit their testimony prior to early 2013, so as to capture all of the costs and to determine customer acceptance. We believe a six-month period is the minimum interval in which the utilities can establish the duration of customers who chose to opt-out as well as the full tally of any costs associated with the switchover. Accelerating the testimony will lead to incomplete data upon which to assess costs and cost allocation.

Respectfully submitted,

Dated: May 14, 2012

/s/

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