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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

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 July 26, 2011)

**PACIFIC GAS AND ELECTRIC COMPANY'S (U39M)  
RESPONSE TO MOTION OF TOWN OF FAIRFAX,  
COUNTY OF MARIN AND THE ALLIANCE FOR HUMAN  
AND ENVIRONMENTAL HEALTH**

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Dated: May 14, 2012

Pursuant to Rule 11.1(e) of the California Public Utilities Commission's (CPUC) Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby responds to the *Motion of County of Marin, Town of Fairfax, CA, and the Alliance for Human and Environmental Health to Require Delay of Further SmartMeter Installations Until Determination of Community Opt-Out Rights in Phase 2* (Motion). PG&E respectfully recommends that the CPUC reject the Motion.

PG&E supports individual choice for residential customers. Since early February of this year, as directed by the CPUC in Decision (D.) 12-02-014, PG&E has been fully and successfully implementing the SmartMeter™ Opt-Out Program throughout its service area. The opt-out rate has been substantially less than one percent of PG&E's residential customers. As of May 11<sup>th</sup>, PG&E has had 27,772 residential customers opt-out of its SmartMeter™ Program. Moreover, of the customers who previously expressed an interest in delaying or not receiving a SmartMeter™ (pending the Commission's Opt-Out decision), 11,951 have chosen to receive a SmartMeter™. Based on the opt-out rate to date, PG&E believes that *individual customer choice*, rather than mandatory community-wide opt-out, strikes the right balance between customers who wish to receive the benefits of a modernized electric grid and customers who wish to opt-out for any reason.

This balance is reflected in Fairfax and unincorporated Marin County, which together represent approximately 20,650 meters. In these areas, deployment currently is approximately 34 percent complete with 7,056 SmartMeters™ installed, yet only 281 customers in Fairfax and 524 customers in unincorporated Marin County had opted out as of May 11, 2012. It is noteworthy that in incorporated Marin County, representing 203,769 meters, PG&E has installed 160,666 SmartMeters™, i.e., these installations are approximately 79 percent complete. The Moving Parties assert that residents of Fairfax

and Marin County will suffer irreparable harm if the CPUC does not grant the motion, but the actual number of customers who have opted-out refutes this claim. Contrary to Moving Parties' assertion, there is no possibility of irreparable harm because the Phase 1 Opt-Out decision already provides customers who wish to opt-out with the right to individually opt-out. In fact, the opposite is true: granting the Motion would prohibit PG&E from deploying SmartMeters™ for customers who do want and choose SmartMeters™, eliminating a careful balance that the existing, individual Opt-Out Program appropriately strikes.<sup>1/</sup>

Nor is the Motion substantiated. The assertion that the Motion is necessary to “remove the risk of expenditure by PG&E of millions of dollars upon community opt-out” (Motion, Heading III, p. 8.) is not based on any actual forecasts or costs (the Motion provides that its cost-estimates are “illustrative...only,” see Motion, fn. 15, p. 8.)

PG&E has not yet installed the majority of the SmartMeter™-upgrades planned either for Fairfax or unincorporated Marin County, and is not scheduled to do so before 2013.<sup>2/</sup> However, even if PG&E were to begin installing in Fairfax and/or unincorporated Marin County immediately, the “potential costs” that these municipalities challenge are not at issue because those costs will be the subject of Commission review and comment in Phase 2, just like all other costs of implementing the Opt-Out Program. As such, all parties will have full and ample opportunity to comment and take positions on the reasonableness of PG&E's cost recovery and any customer charges. (See D.12-02-014, Conclusions of Law 10 and 13, p. 38.)

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<sup>1/</sup> Based on PG&E's current SmartMeter™ Opt-Out Program data (i.e., through May 11, 2012), approximately 30 percent of the 39,723 customers who have responded to the availability of PG&E's Opt-Out Program have requested SmartMeters™ rather than analog meters. If granted, the Motion would deny these customers the right to the SmartMeters™ that they have chosen pursuant to the Opt-Out Program. Attachment 1 to this Response is an editorial published by the *Marin Independent Journal* on May 14, 2012, calling for Fairfax and Marin County residents to have a choice in SmartMeter™ installations.

<sup>2/</sup> Since the CPUC's approval of PG&E's SmartMeter™ Opt-Out Program, PG&E has focused on implementing the program for customers and integrating it with ongoing operations. PG&E is now reviewing its deployment schedule for the remainder of the SmartMeter™ upgrade process, making planning adjustments that factor in the need to address customer opt-out preferences.

Thus, and for the reasons discussed above, PG&E respectfully requests that the Commission reject the Motion.

Respectfully Submitted,

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By: \_\_\_\_\_ /s/  
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Dated: May 14, 2012

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## ATTACHMENT 1

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### **Marin Efforts to Ban SmartMeters Raise Questions**

Marin Independent Journal – Editorial, May 14, 2012

Fairfax and Marin County officials continue to insist on having local bans on the installation of **PG&E's SmartMeters**, despite the fact their action is denying many power customers the choice to have the high-tech devices installed in their homes and businesses.

The local bans were a response to concerns about exposure to wireless transmissions and in protest of the costly state-approved fees for ratepayers who get SmartMeters without wireless connections. A general distrust of PG&E also played a role.

The statewide installation of the digital meters with wi-fi connections was started by the state Public Utilities Commission to improve consumer awareness about their power use. Greater awareness would bolster conservation, regulators argued.

The SmartMeter connections allow consumers to monitor their power use online, providing a tool to help customers conserve energy and lower their bills.

But in the unincorporated areas of Marin and in Fairfax, elected officials want to deny all ratepayers access to the meters. They are seeking state approval to opt out en masse from SmartMeters.

Fairfax Councilman Larry Bragman defends the town's move, saying that local ratepayers should be allowed to keep their "safe and accurate" meters without being forced to pay extra fees.

Some local customers have had the meters installed at their homes and businesses, but county and Fairfax officials are trying to stop further installations.

The state Public Utilities Commission last year approved a compromise, allowing ratepayers the option of having the meters without wireless transmitters, or even keeping their old mechanical meters. Those meters would have to be checked by PG&E meter readers. The state commission approved charges — a \$75 one-time charge and \$10 per month — for ratepayers who don't want the wireless transmitters.

Those charges, for good reason, have many customers fuming. Fairfax and the county want the PUC to reduce the fees, but they also are pushing to allow communities to be SmartMeter-free zones.

They also cite safety concerns.

Are they also going to ban wireless computer connections, microwave ovens and cellphones? State health tests have concluded that human exposure to wireless transmissions from SmartMeters is minor compared to those popular and ubiquitous devices.

The PUC's handling of the SmartMeter conversion, a major undertaking, has been messy at best, with health studies conducted after installation had started and then allowing ratepayers to opt out as a compromise mid-way through the process.

Customers should have a choice, without such steep charges for not having the wireless connection. But the local bans seem to amount to political power plays that prevent access to a convenient, widely accepted conservation tool.

Fairfax and county officials should be able to make their case against the fees without denying ratepayers the opportunity to have SmartMeters installed.