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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  
(U 39 M)

Application No. 11-03-014  
(filed March, 24, 2011)

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39-M)  
PROOF OF RULE 3.2(d) COMPLIANCE**

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Dated: May 20, 2011

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

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PROOF OF RULE 3.2(d) COMPLIANCE**

Pacific Gas and Electric Company (PG&E) hereby provides proof of compliance with Rule 3.2 (d) of the California Public Utilities Commission's Rules of Practice and Procedure. As demonstrated in Attachment A, PG&E has met the notice requirement specified in Rule 3.2 (d) by mailing a bill insert describing the rate increase associated with the above-referenced Application to affected customers. Mailing of the insert was completed on May 5, 2011.

In addition, customers who receive electronic bills received this insert as part of their bill packages. Circulation of this bill insert in electronic bills began on April 7, 2011 and was completed on May 5, 2011.

PG&E also states that this compliance filing is late by four days due to a calendaring error, and apologizes for any inconvenience this has caused.

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Respectfully Submitted,

ANN H. KIM  
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CHONDA J. NWAMU

By: \_\_\_\_\_ /s/  
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Dated: May 20, 2011

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT A

DECLARATION OF MAILING NOTICE OF APPLICATION  
FILING TO CUSTOMERS

I, Mike Kimsey, an employee of Pacific Gas and Electric Company, state that I am a citizen of the United States and employed in the City of West Sacramento, County of Yolo, and State of California; that I am over the age of eighteen (18) years and not a party to the within cause; that my business address is 885 Embarcadero Drive, West Sacramento, California; and that a printed copy of the attached “NOTIFICATION OF APPLICATION FILING: Proposed Modifications to Pacific Gas and Electric Company’s SmartMeter™ Program for Residential Customers (A.11-03-014)”, was enclosed with customer bills during the period beginning April 6, 2011 and ending May 5, 2011.

I declare under penalty of perjury that the foregoing is true and correct.

Dated, May 20, 2011, at West Sacramento, California.

\_\_\_\_\_  
/s/  
Mike Kimsey

Para más detalles llame al 1-800-660-6789 • 詳情請致電 1-800-893-9555

**NOTIFICATION OF APPLICATION FILING:  
Proposed Modifications to  
Pacific Gas and Electric Company's SmartMeter™  
Program for Residential Customers (A.11-03-014)**

**What are the proposed modifications to the SmartMeter™ program application?**

On March 24, 2011, PG&E filed proposed modifications to the SmartMeter™ program in response to California Public Utilities Commissioner Michael Peevey's request that Pacific Gas and Electric Company (PG&E) provide a proposal that addresses certain customers' concerns about SmartMeter™ radio frequency (RF) communications. If approved, PG&E's modifications to the SmartMeter™ program would offer residential electric and gas customers the opportunity to choose to have PG&E turn off the radios in their electric and gas meters, thus maintaining the benefits and efficiencies of continued deployment of SmartMeter™ technology, while specifically addressing those customers' concerns about the RF signals from their meters. Participation would be voluntary and participating customers would pay an additional up-front fee, along with a monthly charge in the form of a fixed fee or a rate adder to support this customized solution.

**Proposed modifications to the SmartMeter™ program and costs**

If approved, customers who choose to participate in the modifications to the SmartMeter™ program would pay to have PG&E turn off their SmartMeter™ radio communications. Participation is entirely voluntary for PG&E's residential electric and natural gas customers, including bundled service, direct access and community choice aggregation customers. Customers will have some choice as to how rates and fees are structured, but in general terms they would pay a one-time up-front fee, plus a monthly charge in the form of either a monthly fixed charge or a per-kWh (or per-therm, if a gas-only customer) rate adder. In addition, customers would owe an exit fee when they move from or leave the premise. The fee and rate choices are shown in the table inside for both non-CARE and CARE customers. The up-front fee will vary depending on whether the participant chooses to pay the fee all at once or over a two-year period. Rates will vary depending on the fee chosen and whether the participant wishes to pay via a fixed monthly charge or a volumetric (per-kWh or per-therm) rate adder. Rates are based on PG&E's unit costs to turn off the radio, manually read the meters every month, modify IT systems, provide information to customers on the program through call centers and other channels, and help reinforce the existing SmartMeter™ network to compensate for any degradation that turning off the radio causes.

# INTERIOR

**Table of Proposed Rate/Bill Impacts to Participating Customers of the Modified SmartMeter™ Program**

Alternative	One-Time Up-Front Charge (\$)		Monthly Fixed Charge (\$/mo)		Monthly Volumetric Charge			
	CARE	Non-CARE	CARE	Non-CARE	Electric-Only or Combined (\$/kWh)		Gas-Only (\$/therm)	
					CARE	Non-CARE	CARE	Non-CARE
1	\$105.00	\$135.00	\$16.00	\$20.00	N/A	N/A	N/A	N/A
2	\$105.00	\$135.00	N/A	N/A	\$0.029	\$0.036	\$0.426	\$0.532
3	\$215.00	\$270.00	\$11.00	\$14.00	N/A	N/A	N/A	N/A
4	\$215.00	\$270.00	N/A	N/A	\$0.021	\$0.026	\$0.310	\$0.387

**Will rates increase as a result of this application?**

**No. There is no rate impact to customers who choose not to participate.** The increases to a participating customer will depend on the specific fee and rate choice, as shown in the table above.

**FOR FURTHER INFORMATION**

To request a copy of the application and exhibits or for more details, call PG&E at **1-800-743-5000**. For TDD/TTY (speech-hearing impaired), call **1-800-652-4712**.

You may request a copy of the application and exhibits by writing to:  
 Pacific Gas and Electric Company  
 SmartMeter™ Customer Choice Application  
 P.O. Box 7442, San Francisco, CA 94120

**THE CPUC PROCESS**

The California Public Utilities Commission’s (CPUC) Division of Ratepayer Advocates (DRA) and the Energy Division will review this application.

The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA’s views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E’s request, amend or modify it, or deny the application. The CPUC’s final decision may be different from PG&E’s application.

If you would like to learn how you can participate in this proceeding or if you have comments or questions, you may contact the CPUC’s Public Advisor as follows:

Public Advisor’s Office  
 505 Van Ness Avenue  
 Room 2103  
 San Francisco, CA 94102  
**1-415-703-2074** or **1-866-849-8390** (toll free)  
 TTY **1-415-703-5282** or **1-866-836-7825** (toll free)  
 E-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

If you are writing a letter to the Public Advisor’s Office, please include the number of the application (A.11-03-014) to which you are referring. All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

A copy of PG&E’s SmartMeter™ Customer Choice application and exhibits are also available for review at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, Monday–Friday, 8 a.m.–noon and on the CPUC’s website at [www.cpuc.ca.gov/puc](http://www.cpuc.ca.gov/puc).