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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)

ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING PACIFIC GAS AND ELECTRIC COMPANY TO FILE ADDITIONAL COST INFORMATION

This Administrative Law Judge's Ruling (Ruling) directs Pacific Gas and Electric Company (PG&E) to file additional information concerning the costs and technological feasibility associated with alternatives for customers who wish to opt-out of a wireless smart meter.¹ This additional information shall be filed by October 28, 2011.

On March 24, 2011, PG&E filed Application (A.) 11-03-014 seeking Commission approval of modifications to its SmartMeter program, and an increase in revenue requirements to recover the costs of the modifications. PG&E's application was filed in response to a directive by Commissioner Peevey, who had directed PG&E to submit a proposal that would allow some form of opt-out for PG&E customers who did not wish to have a wireless smart meter.

¹ As used in this Ruling, a wireless smart meter is a digital electric or gas meter that transmits customer usage data through radio transmission.

PG&E proposed that the SmartMeter program be modified to provide customers the choice to request that PG&E “turn-off” / disable the radio inside their gas and/or electric Smart Meters, thus eliminating the radio frequency (RF) communications from the SmartMeters. This has been referred to as the “radio off” option.

PG&E states that it had evaluated various opt-out alternatives, and determined that the radio-off alternative was the most feasible and could be offered at a reasonable cost.² It further states that other alternatives evaluated were a wired meter and a legacy (analog) meter. The application, however, only contained detailed cost information concerning the radio-off option.

The Scoping Ruling issued on May 25, 2011 stated that other parties could recommend other reasonable cost opt-out alternatives and provide the estimated costs of the recommended alternative. Several parties proposed alternatives, but expressed difficulty in determining the costs for their recommended alternative.

A combined workshop to consider opt-out alternatives for all of the investor owned utilities was held on September 14, 2011.³ The utilities had been requested to have cost information available at the workshop for the following opt-out alternatives:

1. Analog meter;
2. Digital meter with no radio installed;
3. Smart meter with radio transmission turned off; and
4. Wired smart meter.

² Application at 5.

³ In addition to A.11-03-014, the Commission is considering whether San Diego Gas & Electric Company and Southern California Electric Company should also be required to offer opt-out alternatives in A.11-03-015 and A.11-07-020, respectively.

It is important that cost information for all the options be considered. This would include field deployment, information technology, and customer communications and operations support costs. However, PG&E is the only party able to provide this cost information. In order for intervenors, consumer groups or Division of Ratepayer Advocates to develop the estimated costs for their proposed alternatives, they would need to obtain this information from PG&E through data requests. I believe this would be potentially time-consuming and a poor use of resources. Therefore, PG&E is directed to provide the field deployment, information technology, and customer communications and operations support costs for each of the following opt-out alternatives:

1. Replacement of wireless smart meter with an analog meter;
2. Replacement of wireless smart meter with a digital meter with no radio installed; and
3. Replacement of wireless smart meter with a wired smart meter (telephone or fiber-optic).

In providing these costs, PG&E shall include:

1. A comparison of costs when a meter is read:
 - a. By a utility employee every month;
 - b. By the utility employee on a quarterly basis, with the remaining months being read by the customer; and
 - c. By the utility employee on a semi-annual basis, with the remaining months being read by the customer.
2. Identification of all costs that would be incurred regardless of how data for the alternative is collected and transmitted (i.e., read by utility employee, read by customer or read via "snap read").
3. The estimated upfront fees/rates to be paid by customers under each of the opt-out alternatives listed above. PG&E shall also discuss, for each of the alternatives, whether the estimated upfront fee/rates will vary depending on

whether the currently installed meter is an analog meter or a wireless smart meter.

4. The estimated monthly fees/rates to be paid by customers under each of the opt-out alternatives listed above.

In addition, PG&E shall provide the following additional information concerning its radio off opt-out proposal:

1. Do the current wireless electric and gas smart meters have the capability to be turned off remotely?
 - a. If so, what is the associated cost to include this capability?
 - b. If not:
 - i. Will this capability be available in the future and what is the estimated cost?
 - ii. Is it possible to acquire an electric or gas smart meter with this capability and what is the estimated cost?
2. Do the current wireless electric and gas smart meters have the capability to be programmed to turn on and transmit data at a specified time each month (i.e., a “snap read”)?
 - a. If so, what is the associated cost to include this capability?
 - b. If not:
 - i. Will this capability be available in the future and what is the estimated cost?
 - ii. Is it possible to acquire an electric or gas smart meter with this capability and what is the estimated cost?

PG&E shall file the information requested in this Ruling by October 28, 2011. I believe that this is sufficient time, since PG&E had stated in its application that it had evaluated the technological feasibility and costs of offering a wired smart meter or an analog meter. Furthermore, PG&E had considered the costs associated with all the opt-out options listed above as part of its participation in the September 14, 2011 workshop.

IT IS RULED that by October 28, 2011, Pacific Gas and Electric Company shall file a response and provide the additional information requested in this Administrative Law Judge's Ruling.

Dated October 12, 2011, at San Francisco, California.

/s/ AMY C. YIP-KIKUGAWA
Amy C. Yip-Kikugawa
Administrative Law Judge