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PRESS RELEASE

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**CPUC RESPONDS TO PG&E CUSTOMER CONCERNS
ABOUT SMART METER INSTALLATIONS IN BAKERSFIELD**

SAN FRANCISCO, Oct. 14, 2009 – The California Public Utilities Commission (CPUC) today said it will require Pacific Gas and Electric Company (PG&E) to obtain an independent third-party technical expert to test and validate meter and billing accuracy of Smart Meters currently being deployed in Bakersfield.

CPUC President Michael R. Peevey said that consumers, as well as state Senators Dean Florez (16th District) and Roy Ashburn (18th District), have expressed concern over high energy bills that have occurred at the same time PG&E installed Smart Meters in Bakersfield. “In order to examine the facts surrounding the issues, PG&E will work with an independent third-party chosen by us to review both the hardware and software of the Smart Meters,” said President Peevey. “In addition, PG&E must submit weekly reports to the CPUC on customer complaints about Smart Meters, and must report to the CPUC the location of future Smart Meter installations and the consumer education and outreach it is conducting in those areas.”

The CPUC approved PG&E’s Smart Meter plan on July 20, 2006, and authorized the company to install Smart Meters throughout its territory and upgrade all of its approximately 5 million electric meters and 4 million gas meters over a 5-year period.

The CPUC has allowed the state’s utilities to replace conventional customer electric meters with Smart Meters because they represent an integral part of the state’s “demand response” efforts. Demand response programs allow consumers and businesses to reduce the use of their electricity during times of high energy demand.

Smart Meters allow PG&E customers to access their energy usage on a real-time basis, rather than receiving such information at the end of a billing cycle. The improved system also incorporates a remote connect/disconnect device on all meters, eliminating the need for PG&E to visit the location every time a customer moves in or out of their home. This provides significant operational savings for the company, which ultimately gets passed on to consumers. Demand response joins energy efficiency as the state's preferred way to meet electricity demand, as outlined in California's Energy Action Plan.

“Complaints from consumers are not taken lightly and the CPUC is working diligently to determine if there is a problem with meters in Bakersfield. The CPUC will take all necessary and appropriate actions if a problem is found,” said President Peevey. “In addition, the CPUC will establish an internal task force on Smart Meter deployment in order to keep abreast of developments in the PG&E service territory and statewide.”

For more information on the CPUC, please visit www.cpuc.ca.gov.

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