



**Pacific Gas and
Electric Company®**

Sanford L. Hartman
Vice President and
Managing Director, Law
Registered In-House Counsel,
Licensed in the District of Columbia

Law Department
77 Beale Street, B30A
San Francisco, CA 94105

Mailing Address:
P. O. Box 7442
San Francisco, CA 94120

415.973.7815
Fax: 415.973.6848
E-Mail: SLHb@pge.com

March 29, 2010

Clifford Rechtschaffen
Special Assistant Attorney General
California Attorney General's Office
1515 Clay Street
Oakland, CA 94612

Dear Cliff:

Thank you for meeting with us on Tuesday to share your views regarding implementation of the community choice aggregation statute in Marin.

As we shared during the meeting, it is regrettable that our discussions with the Marin Energy Authority ("MEA") about an overall settlement did not succeed. Nevertheless, we executed the CCA Service Agreement, provided MEA with the letter it requested in connection with the loan guarantees, declined to pursue legal challenges (including those under the California Environmental Quality Review Act) and continued to meet with the California Public Utilities Commission ("CPUC") Staff to work through a number of procedures regarding CCA. In that regard, we offered to institute measures to separate marketing from opt-out calls. Lastly, we are working diligently with MEA on the mechanics of its program.

We have expressed to the CPUC and to MEA the importance of minimizing customer confusion and establishing clear and easily understood procedures for all affected stakeholders to follow, goals that we trust all of us share. We have also expressed the importance of communicating pertinent and timely information to our customers. Against this backdrop, we would now like to provide you with our proposed plans going forward.

First, CPUC Staff, MEA and your office will receive copies of written advertising and letter materials, broadcast media scripts and direct customer marketing materials. We are not asking for anyone's approval of these materials. We are providing them so that if you have any concerns about them or if you receive any inquiries about them, they are easily available to you. We will try to provide them in advance of their public release.

We developed in the San Joaquin Valley Power Authority an informal process for addressing directly with that organization concerns it may have with our marketing



materials, rather than involving the CPUC in the first instance. Our preference is to use an informal process here and that is why we are providing our materials to MEA. We hope that they will agree to participate in this process.

We recognize that you asked us to include a specific reference in our marketing materials to MEA's terms and conditions on its website. The most direct link to the terms and conditions is http://marinecleanenergy.info/pdf/opt_out.pdf. The first page of the PDF is an opt-out form. The second page is the terms and conditions. Because the document is a PDF, we cannot link directly to the second page and we did not think it appropriate to include a link for materials, the first page of which is an opt-out form. If MEA adjusts its web site to avoid this situation, we will add the link.

Second, we remain willing to implement the following procedures when soliciting and processing opt-outs from residential customers:

1. Outbound telemarketing calls to residential customers will be separate from and made by different persons from those effectuating the actual opt-out. If, as a result of an outbound telemarketing call, a residential customer states that he or she would like to opt-out, the residential customer will be transferred to a PG&E customer service representative. That representative would take the residential customer's information and effectuate the opt-out.
2. After a PG&E customer service representative has taken the residential customer's information and before effectuating the opt-out, the PG&E customer service representative will state to the residential customer: "Although you are opting out now, you may choose to change your mind and opt-in to the Marin Energy Authority's electricity service at any time, subject to the terms and conditions offered by the Marin Energy Authority for its program. I am now processing your opt-out request."
3. Whenever a PG&E service representative visits a residential customer and solicits an opt-out from that customer, the PG&E service representative will tell the residential customer: "Although you are opting out now, you may choose to change your mind and opt-in to the Marin Energy Authority's electricity service at any time, subject to the terms and conditions offered by the Marin Energy Authority for its program. I am going to process your opt-out request when I return to the office."
4. After a PG&E customer service representative has effectuated a residential customer's opt-out request, the residential customer will receive a written confirmation of this action. The confirmation will state in bold, prominent font: "Although you are now opting out of the Marin Energy Authority community choice aggregation program, you may choose to change your mind and opt-in to the Marin Energy Authority's electricity service at

Clifford Rechtschaffen
March 29, 2010
Page 3

any time, subject to the terms and conditions offered by the Marin Energy Authority for its program.”



We proposed these measures to the CPUC on March 10 in order to address concerns MEA raised during our discussions with them about our direct customer contacts.

We continue to be available to respond to any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sanford L. Hartman', written over a horizontal line.

Sanford L. Hartman

cc: Paul Clanon
Frank Lindh
Dawn Weisz
Gregory Stepanicich