BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority to Increase Revenue Requirements to Recover the Costs to Upgrade its SmartMeterTM Program. (U39E)

Application 07-12-009 (Filed December 12, 2007))

PREHEARING CONFERENCE STATEMENT OF THE TECHNOLOGY NETWORK ("TECHNET")

In accordance with Rule 7.2 of the Commission's Rules of Practice and Procedure and the procedural schedule set forth in the August 6, 2010 *Administrative Law Judge's Ruling Setting Prehearing Conference* ("ALJ Ruling"), The Technology Network ("TechNet")¹ hereby submits this prehearing conference ("PHC") statement. The ALJ Ruling sets a PHC in this proceeding for Wednesday, August 18, 2010, and requests that parties address several questions in PHC statements to be filed by no later than August 16, 2010. TechNet's responses to the questions set forth in the ALJ Ruling are as follows:

1. Do available facts support the immediate suspension of PG&E's program of installing SmartMetersTM?

No. Indeed, all available *facts* support the continued deployment of PG&E's program. At the Commission's direction, PG&E has released an unprecedented amount

¹ TechNet is the bipartisan, political network of CEOs and Senior Executives that promotes the growth of technology and the innovation economy. TechNet focuses on politics and policy by bringing its members together with our nation's policy makers to sustain and advance America's global leadership in innovation. In addition to its offices in Washington, DC and Silicon Valley, TechNet has a presence in New England; Texas; the Pacific Northwest; Sacramento, CA; and Albany, NY. TechNet's members represent two million employees in the fields of information technology, clean technology, biotechnology, e-commerce and finance.

of operational data regarding the performance of the SmartMeterTM program, the clear import of which is that the SmartMeterTM program is working as intended, delivers improved accuracy in meter reading compared to prior technologies, and is experiencing very few issues relative to the complexity and size of the project. Neither the City and County of San Francisco ("CCSF") nor any of the other parties that have joined CCSF's petition have made any compelling, fact-based argument for a delay in the program, instead wholly relying on a combination of opinion, conjecture and third-hand anecdotal evidence in support of their claims.

Any delay in the deployment of PG&E's SmartMeter™ program would increase the costs of the program to ratepayers and would delay the availability of SmartMeter™ benefits to all of PG&E's customers. Delaying such a massive program will not only cause ratepayers to incur stand-down and start-up expenses, but may also cause uncertainty in the availability of supply from PG&E's vendors. Additionally, consumers will experience delays in both operational benefit realization and potential energy cost savings as it would become difficult to implement new, incentive rate structures until all customers have been enabled with SmartMeters. The best way to benefit consumers is to ensure that they have prompt access to products and services that will enable them to use energy usage information provided by their SmartMeters.

Finally, results from the Commission's third-party investigation are expected to be made available very shortly. Similar investigations in Texas (albeit with some variance in the specific technologies deployed) have validated the efficacy of smart metering technologies, as have various interim testing, side-by-side meter comparisons and utility acceptance testing. Although no technology rollout of this scale is perfect,

there is no evidence that should lead the Commission to assume that the PG&E SmartMeterTM system will be shown to have significant flaws justifying a pause in the deployment.

2. Should the Commission defer action until the receipt of the report researching the new meters and the installation program? Is it possible to commence with this proceeding in a way that permits the incorporation of the projected Commission report?

Yes. Given the short period remaining until the expected release of the report, the Commission should defer action until the report is released. Moving forward with this proceeding prior to issuance of the report will, based on the currently available evidence, likely prove to be an inefficient and unproductive allocation of party and Commission resources.

3. If the Commission elects to consider this Petition further, what should be the scope and timetable of its review of the SmartMeterTM program? If hearings are recommended, what are the factual issues in dispute? What, if any, legal issues are implicated?

These are all fair and important questions. Unfortunately the petitioners have not, to this point, identified any specific disputed facts or legal issues that require the Commission's adjudication. Any further consideration of the Petition by the Commission should commence with the identification of the legal issues and facts, if any, in question by the petitioners and a framework for consideration of a fact-base. Only when these items have been established can a detailed scope and timetable be determined.

Respectfully submitted,

/s/ Jim Hawley

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing *Motion of TechNet for Party Status* on all parties of record in A.07-12-009 by serving an electronic copy on their email addresses of record and, for those parties without an email address of record, by mailing a properly addressed copy by first-class mail with postage prepaid to each party on the Commission's official service list for this proceeding.

This Certificate of Service is executed on August 16, 2010, at TechNet, California.

/s/ Jessica Pereyda

Jessica Pereyda

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