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Sent: 8/31/2010 10:23:55 AM  
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Cc: Bottorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3)  
Bcc:  
Subject: FW: Non PG&E SmartMeter Installations in Northern CA

Mike - here is a follow-up to your request on SmartMeter activity in the Water business. The Marin Municipal Water District installed 600 SmartMeters in 2007-2008, but we believe they suspended the program related to costs. I don't have clear information on this however. You might want to check with Rami Kahlon in Water Division for more detailed information. The other water agency in Marin and the water agencies in the county of Sonoma do not currently use SmartMeters to the best of our knowledge. We do understand that the City of Cotati has begin or will begin a pilot of SmartMeters for water usage. Closer to home, EBMUD is evaluating a SmartMeter program as we speak but has not yet made a decision on deployment. The City of Fresno Public Utilities Department has recently awarded a contract to Badger Meters to install 110,000 SmartMeters for water usage but mass deployment has not yet started.

The Modesto Irrigation District has completed installation of 100,000 electric SmartMeters. Their website states the following: "MID began upgrading all of its residential and commercial electric meters in Dec. 2008. Authorized technicians from MID or its contractor, Wellington Energy, finished installing over 100,000 new digital "smart" meters by the end of March 2010. Midway through 2009, MID began using a secure, wireless communication system (similar to a cellular telephone network) to read the new smart meters by remote control. Today other advanced features of MID's smart meter system are fully automated." Wellington Energy is the same firm we use to install SmartMeters.

Last year, SMUD approved a contract to install a proximately 600,000 Landis +Gyr / SSN meters with current projected completion by end of 2011. Landis+Gyr /SSN is one of PG&E's electric SmartMeter vendors.

The City of San Francisco began a two-year 175,000 meter deployment in June 2010 of Aclara Water Meters. Aclara is the company that makes our gas SmartMeter modules. Following is an excerpt from their website: "The San Francisco Public Utilities Commission (SFPUC) on June 7 began its automated water meter program, a two-year effort to replace all residential and commercial water meters in the city. The new meters use low-frequency radio signals to collect hourly water use and transmits that data four times a day to the SFPUC billing system. The \$50 million program is being funded by a 91-cent fee that's being tacked onto ratepayers' monthly bills."

One final SmartMeter issue. Last week, we discovered a software problem on 2 C&I (E-19 tariff) SmartMeters installed to monitor City of Bakersfield pumps. The problem is in the software. There are two chips in the meter, a meter card chip to record usage and a Nic communication card. The Nic card is a Silver Springs Network chip that communicates with the network every 15 minutes. When the meter chip is recording load and the Nic chip is at the 15 minutes mark, the meter chip may be in an operating mode that precludes communicating with the Nic chips and sends a busy signal. The Nic chip will then try to communicate with the meter chip again in 140 seconds and will do so up to 4 times. While it is waiting, it is recording the 140 seconds as time usage. It shouldn't be recording this time and thus could overstate the amount charged. We have stopped installing these meters until the software glitch is fixed. We currently have 4800 meters installed with this glitch and we are going back to every account to make sure there are no overcharges. These are larger meters and do not effect residential customers. Silver Springs is aware of the problem and hopes to have a software fix within the week for existing and future meters. We have followed normal operating protocols and informed

Aloke Ghupta in the Energy Division and The Structure Group. I am mentioning it to you now given the sensitivity around here prior to the release of the report on SmartMeters by the Structure Group. I didn't want you guys to be caught off guard or think we were overlooking anything.