

From: Dietz, Sidney
Sent: 11/19/2010 11:47:23 AM
To: 'Zafar, Marzia' (marzia.zafar@cpuc.ca.gov)
Cc:
Bcc:
Subject: FW: Fairfax

For your eyes only. This is good background for the meeting in FF.

-----Original Message-----

From: DeRosa, Darleen
Sent: Thursday, November 18, 2010 6:08 PM
To: DeRosa, Darleen; Kiraly, Gregory; Gleicher, Cliff (Law); Kiyota, Travis; [Redacted] [Redacted]
Moniz-Witten, Tanya; Corey, Jana; Warner, Christopher (Law); Brown, Jess A; Dietz, Sidney; Gleicher, Cliff
(Law); [Redacted]
Subject: RE: Fairfax

Last but not least, attached is a brief history of our Fairfax interactions for those who were not on the background call the other day.

Darleen DeRosa | Director
SmartMeter™ Engagement
Pacific Gas and Electric Company
Direct: 415.973.0211
Mobile: 650.743.9807
BlackBerry: 415.205.9450

-----Original Message-----

From: DeRosa, Darleen
Sent: Thursday, November 18, 2010 6:05 PM
To: DeRosa, Darleen; Kiraly, Gregory; Gleicher, Cliff (Law); Kiyota, Travis; [Redacted]
Moniz-Witten, Tanya; Corey, Jana; Warner, Christopher (Law); Brown, Jess A; Dietz, Sidney; Gleicher, Cliff
(Law); [Redacted]
Subject: RE: Fairfax

Worth noting as well that this appeared tonight online in the San Jose Mercury News and will run tomorrow in hard copy. It will impact Fairfax messaging.

Note the paragraph below:

The backlash against SmartMeters began with Central Valley customers who were convinced the meters caused a spike in their electric bills. An independent investigation found the meters to be 99 percent accurate. Since then, a small but vocal number of consumers in Marin, Sonoma, Santa Cruz and elsewhere have been speaking out about the possible health effects of the meters. Some are convinced the meters are making them physically ill, while others worry they will increase the likelihood of brain cancer.

Darbee stressed that a SmartMeter emits a fraction of the radiation of a cell phone but said PG&E was looking

into some kind of alternative solution for customers worried about their health.

"The (radio frequency) emissions from one of our meters is less than 1/10,000th of what you get from a cell phone," said Darbee, whose background is in telecommunications. "But there are people that have been concerned throughout their life about RF exposure, people who live their lives consumed with concerns about RF, and so in light of that, we're asking ourselves is there a way to find a compromise solution that they can live with and we can live with."

Darbee declined to elaborate on what that alternative might be, or if consumers could "opt-out" of getting a SmartMeter installed at their home. Some consumers have begged PG&E to bring their old, analog meters back, while others in the smart-grid industry have floated the idea of a hardwired meter instead of a wireless one.

"It's great news," said David Ashuckian, deputy director of the Division of Ratepayer Advocates at the California Public Utilities Commission. "They've finally started to wake up and be more responsive to their customers."

FULL ARTICLE:

PG&E CEO Peter Darbee acknowledges a 'year of challenge'

By Dana Hull and Steve Johnson

Mercury News

Posted: 11/18/2010 03:58:00 PM PST

Updated: 11/18/2010 03:58:02 PM PST

PG&E has had a rough year, from an ongoing consumer backlash against SmartMeters to the defeat of Prop. 16 to a pipeline explosion that torched a San Bruno neighborhood, killing eight.

In an interview with the Bay Area News Group, PG&E CEO Peter Darbee acknowledged Thursday that this has been a "year of challenge," but stressed the San Francisco-based utility has learned valuable lessons that inspired quick action to help customers immediately after the San Bruno tragedy.

He also said PG&E was looking into some kind of alternative or compromise for the small but vocal group of customers who are convinced that the utility's new SmartMeters pose a health threat.

"The lessons of SmartMeters and Prop. 16 (the June ballot initiative, backed exclusively backed by PG&E, that would have made it harder for municipalities to compete with the utility) is that we need to further enhance our understanding of the customer and their points of view. We took those lessons into our experience with San Bruno," said Darbee, who noted that one customer service representative gave a van to a San Bruno florist who lost hers in the blaze. "The focus on the customer was right from the beginning. We had 150 PG&E volunteers in blue shirts, looking at the question 'How can we help?'"

His comments got mixed reviews.

San Bruno Mayor Jim Ruane praised PG&E for immediately offering financial assistance and agreeing to relocate the section

of natural gas pipe that ruptured on Sept. 9, killing 8 people and destroying 35 homes.

"I will say in that respect, they have stepped to the plate," Ruane said. "They have tried to respond to the situation as best they can."

But Frank Pitre, a Burlingame attorney whose firm represents some of the San Bruno plaintiffs who have sued PG&E, expressed outrage.

"I'm frankly appalled," he said. "Any time somebody pats themselves on the back in this kind of disaster, it tells me they're not thinking correctly. They should have had their focus on the customer 20 years ago."

Rep. Jackie Speier, D-San Mateo, also was critical, saying PG&E could be doing much more to help victims of the blast who are still recovering in a burn unit at Saint Francis Memorial Hospital in San Francisco. Speier, who has visited the patients, said at least two of the four are having trouble getting their insurance companies to cover their

medical costs, and she feels PG&E should step in and pay the expense.

"There has been a blind eye to these patients," she said, urging Darbee and Chris Johns, president of the utility's gas and electric operating unit, to visit the hospital themselves. These patients are suffering. What they are coping with is just beyond description."

Darbee declined to comment on the potential causes of the San Bruno explosion, noting that the National Transportation Safety Board is still investigating.

"What's clear is the NTSB doesn't know definitely what caused this. If they did know they would make it public, and they haven't done that," he said. Darbee added that the 34 minute delay between the explosion and when PG&E crews responded was a "topic of scrutiny" within the NTSB investigation.

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Darbee declined to elaborate on what that alternative might be, or if consumers could "opt-out" of getting a SmartMeter installed at their home. Some consumers have begged PG&E to bring their old, analog meters back, while others in the smart-grid industry have floated the idea of a hardwired meter instead of a wireless one.

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Darbee, 57, joined PG&E as finance chief in 1999 and was took over as president and chief executive officer in January, 2005 after pulling the company out of bankruptcy. Since then he has sought to make PG&E "the leading utility in the United States," and has won national acclaim for his passion about environmental issues and his commitment to climate change legislation.

But 2010 has tested Darbee like no other. Residents of Hinckley, the small town made famous by PG&E's ground water contamination and the movie "Erin Brockovich," are once again up in arms about contaminated ground and well water. And Bill Devereaux, the PG&E executive in charge of SmartMeters, recently resigned after being caught trying to spy on anti-SmartMeter activists online, calling himself "Ralph."

Darbee said that he begins his weekly staff meetings with a discussion of PG&E's "vision and values," a pyramid-shaped set of guidelines that he put into place in 2005 and keeps with him. The first "value" is "We act with integrity and communicate honestly and openly."

When asked about Devereaux, Darbee stressed that Devereaux realized he had to go.

"At every institution there are people who deviate from the rules, and that's unfortunate," said Darbee. "But the next morning Bill Devereaux came in and resigned."

Darbee said that the challenges of the past year don't compare to the dark days of the bankruptcy.

"When we emerged from bankruptcy we were at a real low point," said Darbee. "Since then we've had five years

of good progress, and a year of setbacks."

Contact Dana Hull at 408-920-2706. Follow

Darleen DeRosa | Director
SmartMeter™ Engagement
Pacific Gas and Electric Company
Direct: 415.973.0211
Mobile: 650.743.9807
BlackBerry: 415.205.9450

-----Original Message-----

From: DeRosa, Darleen

Sent: Thursday, November 18, 2010 6:01 PM

To: Kiraly, Gregory; Gleicher, Cliff (Law); Kiyota, Travis; [Redacted] Moniz-Witten, Tanya; Corey, Jana; Warner, Christopher (Law); Brown, Jess A; Dietz, Sidney; Gleicher, Cliff (Law); [Redacted]
[Redacted]

Subject: RE: Fairfax

Hi all,

Here's a rundown on Fairfax and the associated action items and owners:

1) PG&E Speakers: Greg Kiraly (overall introduction and address Bill Devereaux situation); Jana Corey (Privacy & Security); Jess Brown (Billing & Accuracy).

Other speakers: Jerry Bushberg from UC Davis on RF ([Redacted]) in Gov Rel reached out to him today and will confirm him ASAP); Marzia Zafar/CPUC (confirmed)

PG&E in attendance but not speaking unless necessary; Sid Dietz (Reg Rel); Cliff Gleicher (Law)

2) Recommended flow:

-Greg Kiraly opens, restates prior engagements with Fairfax, proactively addresses Bill Devereaux situation

-Jess Brown introduces the panel and proactively addresses billing and accuracy (Structure Group)

-Jess moderates and directs questions to Jana, Greg, Jerry, Marzia as appropriate.

We could also have Jana moderate as she did it last time and was well-received, but this is likely too much of a role since she'll be covering security and privacy as well. Billing and accuracy is less of an issue in Fairfax.

Actions/Owners:

-Calendar invite for Fairfax event (Sent today) -Calendar invite for small group to pre-brief Greg (Sent today) - Calendar invite for whole team on November 30 (Darleen to send) -Written answers to all Fairfax questions (Darleen to send draft 1 on Friday) -Privacy and Cybersecurity Q&A (Chris Warner) -Greg's talking points (Darleen) -Billing/Accuracy talking points for Jess (Darleen) -Secure Corporate Security support ([Redacted]) -Secure Media support (2 reps, if possible-[Redacted])

Darleen DeRosa | Director

SmartMeter™ Engagement
Pacific Gas and Electric Company
Direct: 415.973.0211
Mobile: 650.743.9807
BlackBerry: 415.205.9450

-----Original Message-----

From: Kiraly, Gregory
Sent: Thursday, November 18, 2010 8:58 AM
To: DeRosa, Darleen
Cc: Gleicher, Cliff (Law); Kiyota, Travis
Subject: Fairfax

I assume once the agenda is finalized today or tomorrow, you or someone from Travis' team will prepare key messages and talking points for me. And to reiterate, we need the full outline along with answered questions by end of day tomorrow.

Thanks.