From: Cherry, Brian K

Sent: 1/3/2011 9:54:15 AM

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Subject: SmartMeter RF Option

We are considering offering customers concerned about SmartMeter RF the following: 1) they need a doctors excuse to qualify for the option (much like the medical baseline certification process), 2) they need to sign up for a 12 month balanced pay plan and pay a flat rate per month over the year with a once per year true-up and 3) we would install the SmartMeter and turn the communication chip off. This will require monthly or every other month meter reads manually (because the chips hold 45 days worth of information) and an initial service visit to manually turn off the gas meter (electric meters can be turned off remotely), for which we will require a fee to cover those costs. This approach could be implemented quickly and still allow many Commission programs, such as dynamic pricing, to be accounted for. We are considering doing it through an AL instead of an application to avoid litigating the RF issue itself. Question - do you think we could implement this through a AL tariff change or would you prefer a cleaner approach, which is an application? If we go AL, we could have it ready by the end of January. Any thoughts would be appreciated. Thx