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Coverage of Chris Johns meeting with The Press Democrat's editorial board. Kim Griffin

PG&E pledges to regain trust

By Brett Wilkison

The Santa Rosa Press Democrat, April 13, 2011

PG&E President Chris Johns called 2010 “an extremely challenging, if not the most challenging year for PG&E.”

The utility giant was rocked by the September pipeline explosion in San Bruno that killed eight people and destroyed 38 homes. Federal officials are investigating the blast, and critics have called for a wider inquiry into the upkeep of the company’s 6,700 miles of pipeline.

A PG&E program to install SmartMeter devices in millions of homes across the state, and an unsuccessful ballot measure that would have limited the formation of public power agencies, also have faced heated public criticism.

In an interview with The Press Democrat’s editorial board, Johns said the company would improve its cooperation with communities in the hopes of overhauling its public image.

“We’re not in the position to have our customers grant us trust,” he said. “We have to earn it.” Ensuring the safety of gas pipelines is the company’s top priority, he said. PG&E is inspecting the lines, testing and reducing pressure on some, and replacing about 150 miles of the network, Johns said. A short stretch of that pipeline is in Sonoma off Fremont Drive, a PG&E spokeswoman said. She did not have the exact mileage.

Johns defended the utility’s introduction of SmartMeters, digital devices that he said would help customers monitor their power usage and save money on their utility bills.

About 7.7 million of the planned 10 million meters have been installed statewide, with about 80 percent of installations now complete in Sonoma County, Johns said.

But fears about the devices persist. Critics say they spike utility bills and emit radio waves that are a health hazard.

Studies by the California Public Utilities Commission and an independent scientific group have largely settled those concerns, Johns noted. He blamed the continuing opposition on a poorly managed rollout.

“We could and should have done a much better job of communication with our customers,” he said.

As evidence of what he said was a new, more cooperative approach by PG&E on the issue, Johns pointed to a PUC-mandated proposal that would allow PG&E customers to opt out of the SmartMeter program.

Fees associated with the provision have rankled critics, however. The utility would charge \$270 upfront, plus a \$14 monthly charge or an increase in gas and electric rates, or a \$135 upfront fee and a \$20 monthly fee or increase in rates.

Assemblyman Jared Huffman, D-San Rafael, called those prices “punitive.” “It’s clearly designed to prevent customers from exercising the option,” Huffman said. He pressed the utility to consider a halt to SmartMeter installations while lawmakers and regulators take up the issue. His own bill, AB 37, would give customers the ability to opt out of SmartMeters.

But PG&E and other utilities oppose the measure and Huffman said he may put it on hold in favor of the PUC’s parallel rule-making process.

“If this is the beginning of a new customer-based, community-based PG&E, that would be a good thing,” Huffman said. “They’ve got some work to do.”

Johns, meanwhile, pledged that PG&E would not stand in the way of any move by Sonoma County to form a public power agency. County supervisors last month approved a study that could launch that effort.

PG&E several years ago fiercely opposed the first such move by Marin County. The company offered cities money if they declined to participate and at one point threatened to cut off power deliveries to the Marin Energy Authority.

The utility also poured \$46 million last year into a ballot measure that would have limited such public power ventures, requiring their approval by two-thirds of voters.

PG&E will press its case to remain Sonoma County’s main power supplier, Johns said. But, “I don’t think you’ll see us doing anything trying to change state rules,” he said about public power ventures.

The company made same pledge in Marin County, Huffman said. “And they changed course,” he added.

Local public power supporters said they hoped the company would hold to Johns’ word. “I think that’s the right path,” said Ann Hancock, executive director of Climate Protection Campaign. “At this point I’m hoping they follow through.”