

To our valued Santa Cruz County customers:

As a resident living in Santa Cruz County, a leader in environmental sustainability, you may be aware that Pacific Gas and Electric Company's SmartMeter™ program will update the energy grid. In California, this effort is a critical part of statewide policy to better manage energy, and to create the smarter grid we need to incorporate more renewable resources and deliver cleaner energy to our customers.

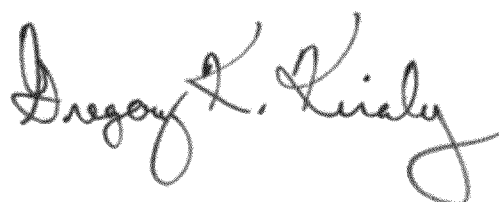
As part of this effort, we will soon upgrade older style meters to digital SmartMeters™ in Santa Cruz area communities. If you have any questions before we visit your neighborhood, or if you wish to delay your meter upgrade for any reason, please call one of our SmartMeter™ representatives at 1-866-743-0263.

Benefits of SmartMeter™ technology:

- Receive free "Energy Alerts"— phone, email, or text-message notifications about your energy consumption to help you save energy and money
- Take advantage of time-of-use pricing plans like SmartRate™ to save money by shifting your energy use to a time of day when energy prices are lower
- View and track your hourly energy usage online, or directly on the meter through its digital display
- Get faster power restoration in the event of an outage
- Start electric and gas service more quickly when you move

At PG&E, we consider it a privilege to serve you and to bring you this energy innovation. For more information about SmartMeter™, and pricing plans enabled by SmartMeter™ technology, such as SmartRate™, please visit our website at www.pge.com/smartmeter or call us at 1-866-743-0263.

Sincerely,



Greg Kiraly

Vice President, Customer Care



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