



**Pacific Gas and
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John Leopold, Chair
Board of Supervisors
County of Santa Cruz
701 Ocean Street, Suite 500
Santa Cruz, CA 95060-4069

Dear Chairman Leopold:

I appreciate the opportunity to respond to your letter regarding PG&E's SmartMeter™ program and customers' ability to opt-out of the program.

PG&E supports customer choice when it comes to the meters at their homes, and we understand that this is a personal decision for some customers. That's why in December we recommended that the California Public Utilities Commission (CPUC) offer our customers the opportunity to choose traditional, analog mechanical meters for their homes. On February 1, the CPUC approved this proposal and gave PG&E twenty days to prepare to accept customers' opt-out requests. Recognizing that many of our customers would not want to wait, we immediately began reaching out to our customers to accept their opt-out requests and begin exchanging their meters. We are also contacting customers, who previously requested that we delay installing their SmartMeters™, informing them of their right to stay with analog meters.

As you know, the CPUC has specified an initial setup charge, as well as a monthly charge, for customers who choose to opt out of the SmartMeter™ program. Those charges aren't punitive, but are meant to cover some—not all—of the costs we will face in maintaining different meters and the separate billing and IT systems needed to accommodate them. In addition, SmartMeters™ allow us to receive energy usage information electronically, without entering customers' property and reading meters manually. By retaining a separate analog meter system, we will continue to need staff and supporting infrastructure to read these "opt-out" meters. Many of these analog meters will be isolated and geographically dispersed, making them costly to read.

I hope this background is helpful. I have asked Redacted the Central Coast Area Manager of our Government Relations department, to continue working with you and the Board to address your concerns.

Sincerely,