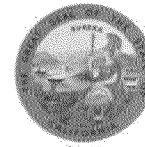


PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 15, 2012

Advice Letter 3278-G/4006-E

Mr. Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: PG&E's Proposed Schedule for SmartMeter™ Opt-Out Program

Dear Mr. Cherry:

Energy Division has determined that Advice Letter 3278-G/4006-E is in compliance with Decision (D.) 12-02-014 (Decision). Energy Division approves the Advice Letter as filed on February 16, 2012, with an effective date of February 16, 2012.

Background

On February 16, 2012, PG&E filed a Tier 1 Advice Letter 3278-G/4006-E, with the same requested effective date, seeking approval of two new rate schedules that allow residential smart meter opt-out service in response to CPUC directive in D. 12-02-014.

On March 7, 2012, Mr. Edward Hasbrouck filed a protest to the Advice Letter disputing certain language in the SmartMeter™ Opt-Out Program tariff proposed by PG&E, as well as other issues relating to utility's authority relating to smart meter installations.

On March 14, 2012, PG&E submitted a reply to the protest, arguing for the rejection of the protest based on its assertions that its filing is directly compliant with CPUC order in D. 12-02-014 and the protest relating to its installation authority is outside the scope of the advice letter filing.

On March 19, 2012, Energy Division reviewed the matter and issued a disposition letter rejecting the protest and approving PG&E's Advice Letter.

On March 29, 2012, Energy Division withdrew without prejudice the March 19 disposition letter in light of procedural errors, specifically neither the March 14 PG&E reply to the protest, nor the March 19 disposition letter was properly served to Mr. Hasbrouck on a timely basis.

On April 5, 2012, the CPUC's Legal Division served a copy of the March 14 PG&E reply to the protest via a certified letter to Mr. Hasbrouck, and by that same letter confirmed and cured the procedural errors. Mr. Hasbrouck has now been provided a 10 day period to review the materials that were not previously served, and the Energy Division is able to review anew the Advice Letter.

Disposition

Energy Division has again reviewed Advice Letter 3278-G/4006-E and concluded that it is in compliance with D. 12-02-014. Energy Division reviewed Mr. Hasbrouck protest of March 7 and has concluded that the protest was not based on proper grounds for protest of an Advice Letter (See General Order 96-B, Sections 7.6.1 and 7.4.2). The protest does not demonstrate that PG&E's actions would violate CPUC orders or satisfy other grounds for protests allowed by the General Order, therefore, PG&E's Advice Letter remains in effect as filed. Specifically, the protest does not demonstrate that the Advice Letter "is not authorized by [the] CPUC order on which the utility relies." (General Rule 7.4.2, subd. (2).) Further, the protest does not meet any of the other three grounds for protest that are cited in the protest. (that is, General Order 96-B, Rule 7.4.2, subd. 3, 5, and 6).

Mr. Hasbrouck's protest argues that the relief requested in the Advice Letter violates a CPUC order, or should have been spelled out in greater detail in the original order. In fact, the Decision explicitly directs PG&E to file the advice letter and include detailed procedures to implement an opt-out option for customers, including establishing communication procedures with respect to the opt-out program. PG&E's Advice Letter, including Attachment 2 to the Advice Letter, details the implementation details that the CPUC ordered the utility to provide therein.

In addition to not meeting the grounds for protest as discussed above, Mr. Hasbrouck's protest raises several issues that are outside the scope of the Advice Letter. D. 12-02-014 and prior decisions presume that PG&E will have access to replace traditional meters and/or smart meters. Mr. Hasbrouck's protest raises issues regarding physical access to meters, issues regarding determination of customer desire to use or not use a smart meter, and the potential for PG&E to allow third parties to use the smart meter mesh network facilities. All of these issues are outside the scope of this Advice Letter filing.

D. 12-02-014 is currently subject to an Application for Rehearing. The disposition of this Advice Letter does not in any way prejudice the issues pending before the CPUC in that rehearing, which will be resolved in a separate decision.

On March 28, Mr. Hasbrouck sent to the CPUC a Request for Review of our March 19 disposition letter. Nothing in this letter responds to that request for review since the original March 19 disposition letter was withdrawn without prejudice. As noted in Legal Division's letter on April 5, the protestor is free to re-file such a request during the period and in the manner allowed by the CPUC's General Order 96-B.

Sincerely,



Edward Randolph
Director, Energy Division
California Public Utilities Commission

cc: Mr. Edward Hasbrouck, via electronic mail edward@hasbrouck.org
Service List Application (A.)11-03-014, via electronic mail