



Brian Bottari
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Public Affairs

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City Manager/City Attorney Larry McLaughlin
7120 Bodega Ave.
P.O. Box 1776
Sebastopol, CA 95473

Dear Mr. McLaughlin,

Thank you for your time recently to share PG&E's plans to resume upgrading SmartMeters in Sebastopol. As we discussed, over the last three years, PG&E voluntarily paused SmartMeter upgrades in Sebastopol pending the California Public Utilities Commission (CPUC) Final Decision in the SmartMeter Opt-Out proceeding. Since that decision is now final, PG&E plans to offer our customers in Sebastopol the same benefits and options related to SmartMeters as customers across our service area.

PG&E is planning to resume our meter upgrade work throughout Sebastopol as part of our normal operations and maintenance starting in January 2017.

As you may be aware, on December 18, 2014, the CPUC issued the final decision (D14-12-078) regarding PG&E's SmartMeter Opt-Out program. This decision was the second and final phase of the February 1, 2012 CPUC decision authorizing PG&E's Opt-Out Program. PG&E's Opt-Out Program allows all residential customers, including those in Sebastopol, to choose an analog meter instead of a SmartMeter at any time and for any reason subject to the payment of certain opt-out charges required by the CPUC. The December 2014 decision authorized the following modifications:

- Reaffirmed residential customers can choose to opt out of the SmartMeter program at any time and for any reason with monthly opt-out charges that are limited to 36 months.
- Analog meters are read every other month rather than monthly.
- Business customers may not opt out.
- Communities as a whole may not opt out.

Currently, PG&E has installed SmartMeters in over 98 percent of our service area, representing 9.8 million SmartMeters, with approximately 1 percent of our customers (54,000 customers) choosing to not have a SmartMeter. In Sebastopol, we have approximately 34 percent of our customers (1345 electric and 1300 gas SmartMeters) upgraded with approximately 6 percent of the residential customer population (276 customers) currently enrolled in the SmartMeter Opt-Out Program.

Before upgrading meters, we will be sending our customers letters letting them know what to expect and how residential customers can opt out if they chose to. We plan on starting these mailings in January 2017. The letters will provide each customer with our intent to upgrade their meter(s), the ability to call to request an upgrade and instructions on how residential customers can opt out by calling PG&E at 1-866-743-0263, visiting our website at

www.pge.com/smartmeteroptout, or by telling us in person at one of our local offices. Since we will be upgrading meters as part of PG&E's normal metering work in Sebastopol, we expect to finish SmartMeter upgrades over the next one to two years.

In addition, if we do not hear from our residential customers after this first letter, we will send a final letter outlining their right to opt out with a follow-up automated phone call if necessary. Equally, we encourage customers who would like more information to visit our SmartMeter website at www.pge.com/smartmeter. We certainly welcome you to post this information on your website or otherwise publicize it to provide additional channels of information for our customers. We are committed to working with you, the Council and our customers to ensure safe, reliable and affordable energy services in Sebastopol. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Bottari". The signature is stylized and cursive.

Brian Bottari
Sr. Representative
Public Affairs

Lawrence McLaughlin

From: Bottari, Brian <B3BA@pge.com>
Sent: Wednesday, November 23, 2016 10:02 AM
To: Lawrence McLaughlin
Subject: RE: Smart Meter Next Steps

The idea of 'normal business' is that we are going to be upgrading these meters as we have available resources in a neighborhood. For example this may be if we are already working in a neighborhood for other reasons. Some examples are:

- New business: when a person builds a home or a business (new construction) a meter needs to be set. This also applies if a customer, for example, builds an addition and then has increased load so they need a new meter. Or if a customer updates their electrical panel they may need a new meter;
- When a customer elects to have a time-of-use pricing option like SmartRate and they need specific usage periods tracked during specific time periods;
- When a customer gets an electric vehicle or solar panels they may need an upgraded meter depending on their current electrical configuration;
- We have compliance requirements from the CPUC where we need to check a certain percentage of gas and electric meters for accuracy on an ongoing basis. If there is an analog meter in place we would upgrade the meter assuming, if residential, the customer wanted a SM;
- Customer requests to check their gas appliances or electric meters due to a bill or safety inquiry;
- Various gas and electric maintenance reasons as meters fail or need repair;

We have no plans do any type of mass deployment and our goal is to dispatch this work in the most effective and efficient way possible to serve our customers. PG&E does not plan to hire contractors or bring in out-of-town resources for this effort. Only local North Bay PG&E employees will be deploying SmartMeters when their workload is such that they are able to do so. They will perform the work around other customer appointments and higher priority maintenance tasks.

We believe 1 - 2 years is plenty of time for a gradual rollout under these parameters.

Thanks Larry and have a great Thanksgiving!

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From: Lawrence McLaughlin [mailto:lmclaughlin@cityofsebastopol.org]
Sent: Tuesday, November 22, 2016 4:54 PM
To: Bottari, Brian
Subject: RE: Smart Meter Next Steps