



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
(831) 454-2200 FAX: (831) 454-3262 TDD: (831) 454-2123

JOHN LEOPOLD
FIRST DISTRICT

ELLEN PIRIE
SECOND DISTRICT

NEAL COONERTY
THIRD DISTRICT

TONY CAMPOS
FOURTH DISTRICT

MARK W. STONE
FIFTH DISTRICT

May 18, 2010

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: PG&E SMARTMETERS

Dear Members of the Commission:

As you are aware, since the beginning of the year complaints have surfaced regarding the accuracy and safety of PG&E's new SmartMeters. These meters are designed to record utility usage with wireless technology. While promoted as a more efficient use of resources that leads to more accurate billing, recent reports have confirmed that significant problems exist with these meters. In Santa Cruz County approximately 2% of homes have already had the SmartMeters installed, with a major rollout of these devices scheduled to begin in the month of July.

While you ordered independent testing of the SmartMeters and recommended the creation of an Independent Oversight Committee in 2009, local governments have not been informed about the results of this research, and installation of the SmartMeters is continuing around the state without analysis of the program. It is important to include key parties from outside the CPUC to participate in the selection of a third party SmartMeter expert and the design of the investigation, and to vouch for the integrity of the process, findings, and remedies. It may be another six months until the independent evaluation is completed.

We were pleased to see that on May 10 the CPUC forced PG&E to publicly release a report about problems with the SmartMeters. As you know, the utility found 23,000 meters that were installed improperly, 11,376 that failed to retain consumer usage information, and 9,000 that had trouble connecting with the wireless network.

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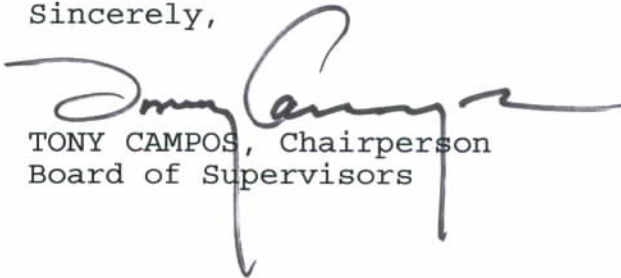
With this information it is clear that a thorough examination of all the concerns regarding SmartMeters must be completed before installation continues. Given the high rate of failures already identified within the SmartMeter system, all costs of conducting this investigation and delaying contracts for SmartMeter installation should be borne by PG&E shareholders rather than ratepayers.

Therefore, we ask that the Commission take the following steps to restore public confidence in SmartMeter technology:

- Expand representation on the Independent Oversight Committee, which currently consists of the CPUC Energy Division and the Division of Ratepayer Advocates, to include representation from local residents and advocacy groups that represent the interests of ratepayers.
- Impose an immediate statewide moratorium on SmartMeter installation until the independent investigation is complete and remedies implemented.
- Assign SmartMeter replacement costs to PG&E shareholders, instead of ratepayers, should the SmartMeters be replaced with more technologically advanced models, or if they need to be repaired or replaced before 2028.

Thank you for your prompt attention to this important issue.

Sincerely,



TONY CAMPOS, Chairperson
Board of Supervisors

TC:ted

cc: Clerk of the Board

5051A6



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May 18, 2010

Assemblymember Anna Caballero
P.O. Box 942849
Sacramento, CA 94249-0028

RE: PG&E SMARTMETERS

Dear Assemblymember Caballero:

As you are aware, since the beginning of the year complaints have surfaced regarding the accuracy and safety of PG&E's new SmartMeters. These meters are designed to record utility usage with wireless technology. While promoted as a more efficient use of resources that leads to more accurate billing, recent reports have confirmed that significant problems exist with these meters. In Santa Cruz County approximately 2% of homes have already had the SmartMeters installed, with a major rollout of these devices scheduled to begin in the month of July.

In October, 2009, the California Public Utilities Commission (CPUC) ordered independent testing of the SmartMeters and recommended the creation of an Independent Oversight Committee. Unfortunately, local governments have not been informed about the results of this research, and installation of the SmartMeters is continuing around the state without analysis of the program. It is important to include key parties from outside the CPUC to participate in the selection of a third party SmartMeter expert and the design of the investigation, and to vouch for the integrity of the process, findings, and remedies. It may be another six months until the independent evaluation is completed.

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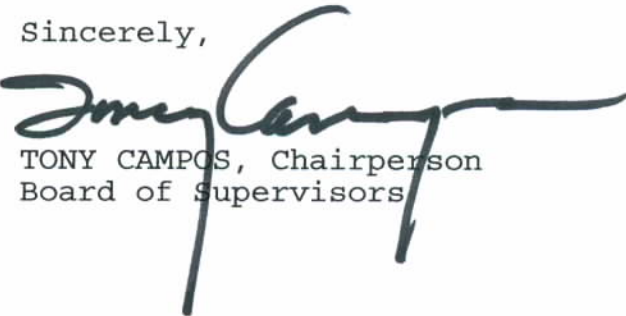
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Therefore, we ask that you work with the California Public Utilities Commission, and take any other actions you deem appropriate, to urge that the following steps are taken to restore public confidence in SmartMeter technology:

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Thank you for your prompt attention to this important issue.

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TONY CAMPOS, Chairperson
Board of Supervisors

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May 18, 2010

Assemblymember Bill Monning
P.O. Box 942849
Sacramento, CA 94249-0027

RE: PG&E SMARTMETERS

Dear Assemblymember ^{Bill} Monning:

As you are aware, since the beginning of the year complaints have surfaced regarding the accuracy and safety of PG&E's new SmartMeters. These meters are designed to record utility usage with wireless technology. While promoted as a more efficient use of resources that leads to more accurate billing, recent reports have confirmed that significant problems exist with these meters. In Santa Cruz County approximately 2% of homes have already had the SmartMeters installed, with a major rollout of these devices scheduled to begin in the month of July.

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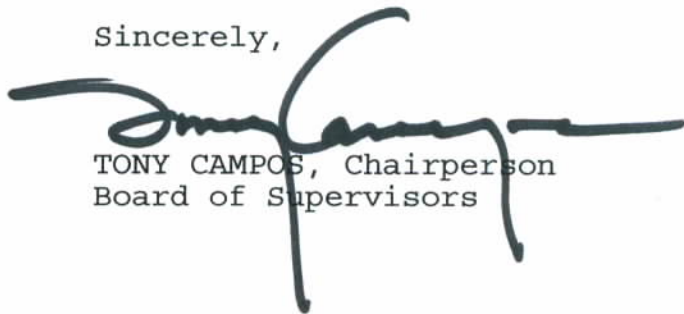
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Thank you for your prompt attention to this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Campos', with a long horizontal stroke extending to the right and a vertical stroke extending downwards.

TONY CAMPOS, Chairperson
Board of Supervisors

TC:ted

cc: Clerk of the Board

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May 18, 2010

Senator Joe Simitian
State Capitol, Room 4062
Sacramento, CA 95814

RE: PG&E SMARTMETERS

Dear Senator Simitian:

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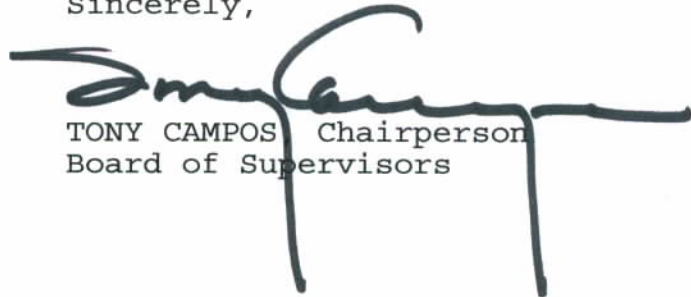
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