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# California State Senate

## SENATOR DEAN FLOREZ

MAJORITY LEADER

REPRESENTING KERN, KINGS, FRESNO, AND TULARE COUNTIES



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October 7, 2009

Commissioner Michael Peevey  
President, California Public Utilities Commission  
505 Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94102

Dear Commissioner Peevey:

This past Monday, October 5, I convened a town hall hearing in Kern County focused on the enormous price shock customers of Pacific Gas and Electric (PG&E) have experienced with their recent power bills. As the State Senator representing this area, I have been receiving a flood of complaints from constituents who have seen their power bills grow astronomically following the installation of a Smart Meter on their premises.

During the hearing we heard powerful testimony from PG&E customers who had described situations which would indicate that there was a strong relationship between high power charges and the installation of a Smart Meter.

In questioning PG&E representatives who attended the hearing, we learned that there is little if any real accuracy testing of Smart Meters. In fact, we were shocked to learn that PG&E had only tested a mere 50 out of over 250,000 Smart Meters that have been installed in customers' homes and that there is no ongoing testing being conducted.

We also learned that the public has very little knowledge of, nor have they seen any particular benefits to, the close to \$3 billion dollar investment in ratepayer funds for the Smart Meter initiative.

These facts alone have not only raised very serious public policy questions but have raised the level of mistrust and suspicion about the entire Smart Meter initiative and its supposed benefits to ratepayers.

As a result of the hearing, I respectfully request that the Public Utilities Commission consider and immediately act upon the policies and proposals outlined below:

1. Require all Investor Owned Utilities (IOU) to respond to all customer complaints regarding the accuracy of their Smart Meters by conducting a personal home visit to test the meter within a 48 hour period.
2. Randomly select and monitor at minimum 10 percent of all installed Smart Meters both remotely and in person to check for accuracy and against historical average use for the prior year.
3. Assure that all customer complaints surrounding Smart Meters are addressed within 3 working days and that a weekly report outlining the number, type and progress of complaints are submitted to the PUC Division of Ratepayer Advocates (DRA).
4. Require PG&E and the other IOUs following the deployment of Smart Meters, to send a quarterly customer satisfaction survey to all customers to collect and gauge complaints, customer concerns, and technological problems they may be experiencing with their Smart Meter.
5. Create a Smart Meter citizen oversight board empowered to meet monthly to review the progress of citizen complaints and customer service efforts in regard to Smart Meter implementation and use. The committee shall also grade IOU's on a yearly basis on Smart Meter performance metrics developed by the citizens committee.
6. Require PG&E to continue to keep open customer Smart Meter Answer Centers until at least 10 percent of all Smart Meters have been tested in person on a random basis.
7. Implement a moratorium on all Smart Meter deployment until such time that an independent technology expert(s) is hired by DRA and conducts a thorough study and examination of the accuracy of Smart Meters in comparison to original mechanical meters and reports this information to the citizens' advisory committee. The report shall also consider other factors including but not limited to, hardware, software and installation issues.
8. Place a moratorium on any rate increases for the purpose of Smart Meter implementation until such time the comparison study is completed and no less than 10 percent of installed Smart Meters have been tested on a random basis.
9. Require PG&E and other IOU's to develop and implement an energy use communication system or protocol that uses existing notification systems such as

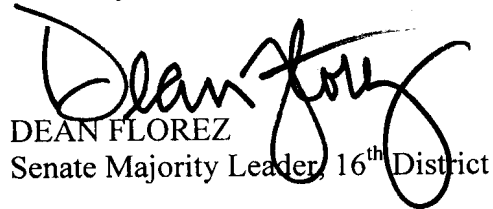
emails, cellular texting or postcards once a customer begins using power within tiers 3, 4 and 5.

10. Require PG&E to report to DRA the percentage of funds expended on a line by line item basis of the 2006 PUC approved budget for the implementation of the smart meter (AMI) initiative. The report should include a comprehensive narrative explanation for each budget item related to smart meter monitoring, customer outreach and addressing customer complaints.

Immediate action on these items will go a long way toward addressing many of the complaints that were outlined during the public hearing. Please know that the above action items are just an initial request based on a preliminary overview of the issues that were raised at the hearing. Additional requests and other public policy questions will be forthcoming following additional review of the Smart Meter initiative and its implementation.

I would appreciate and look forward to your immediate response to the concerns raised.

Sincerely,



DEAN FLOREZ  
Senate Majority Leader, 16<sup>th</sup> District