



Alejandro T. Vallejo
Attorney at Law

Law Department
77 Beale Street, B30A
San Francisco, CA 94105

Mailing Address:
P. O. Box 7442
San Francisco, CA 94120

415.973.1611
Fax: 415.973.9271
Fax: 415.973.5520
E-Mail: AXVU@pge.com

August 22, 2011

VIA E-MAIL AND U.S. MAIL

Lawrence Bragman
Mayor, Town of Fairfax
142 Bolinas Road
Fairfax, California 94930

Dear Mayor Bragman:

I write in response to your email of August 10, 2011 and letter dated August 17, 2011, in which you inquired about PG&E's SmartMeter™ upgrade plans in Fairfax. Specifically, you requested that PG&E agree to delay installing SmartMeters™ in Fairfax until the California Public Utilities Commission ("CPUC") issues a final decision on PG&E's radio-off application (A.11-03-014). We appreciate the opportunity to share our perspective and position on your request. For the reasons stated below, we cannot agree to your proposal.

First, your letter suggests that Fairfax's moratorium ordinance is currently at issue in the radio-off proceeding, and that PG&E's continuing to install SmartMeters™ in municipalities with similar ordinances "effectively undermine[s] the dignity and purpose of the commission's administrative process." This is not the case. As set forth in President Peevey's Scoping Memo, the issues currently under consideration in the radio-off proceeding *do not* include Fairfax's (or any other municipality's) ordinance, nor the possibility of suspending PG&E's continuing SmartMeter™ installations pending a final decision. (*See Assigned Commissioner Ruling and Scoping Memo*, issued May 25, 2011).

Nor do we agree with your position that delaying *all* SmartMeter™ upgrades in Fairfax pending a final CPUC decision might be "in everyone's best interest." Such an indefinite and blanket delay would not serve the interest of the vast majority of PG&E customers in Fairfax and throughout our service area who either have voiced no concerns regarding SmartMeters™ and/or who affirmatively want a SmartMeter™ in order to reap the many benefits they offer. Furthermore, as the CPUC's General Counsel previously communicated to your colleague, Town Manager Michael Rock, Fairfax's ordinance interferes with the CPUC's exclusive jurisdiction over PG&E's SmartMeter™ Program. PG&E previously has communicated this issue to you and the Town of Fairfax, and this position has been corroborated publicly by numerous municipal counsel and local law enforcement officials.

Lawrence Bragman
August 22, 2011
Page 2

PG&E remains committed to continue working cooperatively with Fairfax and all of the other municipalities that PG&E serves to ensure the safe, secure and orderly upgrade to SmartMeters™. To that end, PG&E has set up and publicized a dedicated toll-free number where PG&E's customers can call and request to postpone their meter upgrades. Prior to upgrading our customers in Fairfax, we will proactively reach out to them by various means (letters, direct telephone calls, media outlets, etc.) and reiterate that each individual customer has the option to delay his or her meter upgrade by calling our toll-free number, 1-877-743-7378.

Finally, let me correct the erroneous reports mentioned in your letter claiming that PG&E "is planning on entering Fairfax to install SmartMeters on August 22nd." Such reports, as I mentioned in my prior letter, are incorrect, as PG&E's SmartMeter™ upgrade in Fairfax is not currently scheduled for the immediate future. Prior to commencing installations in Fairfax, PG&E will proactively contact the Town, and also begin in earnest the direct customer outreach activities I mention above.

Please let me know if you have further questions.

Sincerely,



Alejandro Vallejo

cc: Joshua Townsend, PG&E (*by email only*)