

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



November 8, 2004

Advice Letter 2551-E/2551-E-A

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Agreement with MetroFi, Inc. for unmetered electrical service

Dear Ms Smith:

Advice Letter 2551-E/2551-E-A is effective October 28, 2004. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon".

Paul Clanon, Director
Energy Division

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

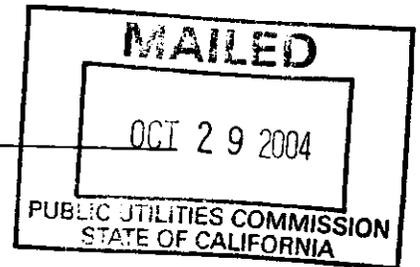
Energy Division

Resolution E-3899
October 28, 2004

R E S O L U T I O N

Resolution E- 3899. Pacific Gas and Electric Company (PG&E) requests approval of an Agreement for Unmetered Electrical Service between PG&E and MetroFi, Inc. (MetroFi). Approved as modified.

By Advice Letter 2551-E filed on September 9, 2003.



SUMMARY

PG&E's agreement with MetroFi for unmetered Service as filed in Advice Letter 2551-E is approved

- PG&E shall file a supplemental advice letter to update its list of contracts and deviations

BACKGROUND

PG&E and MetroFi agree that it would be most practical to serve radio transmitters via unmetered service

Pacific Gas and Electric Company (PG&E) hereby submits for approval, in accordance with Section X.A of General Order 96-A, an Agreement for Unmetered Electrical Service (Agreement) between PG&E and MetroFi, Inc. (MetroFi) dated September 7, 2004.

MetroFi, a provider of wireless, broadband internet service, uses radio transmitters attached to third-party-owned streetlights, to provide its services within PG&E's service territory. The Agreement provides for PG&E to charge MetroFi for unmetered electric service, through third-party-owned streetlight circuits, to MetroFi's radio transmitters.

Normally, a customer qualifying for and receiving unmetered service from

PG&E must take service directly from PG&E's distribution system and pay a separate customer charge under electric Schedule A-1 – *Small General Service*, for each unit receiving unmetered service. Because of the significant number of radio transmitter installations forecasted by MetroFi, both PG&E and MetroFi agree that it would be impractical to require each radio transmitter to take service directly from PG&E's distribution system. Additionally, both PG&E and MetroFi recognize it is a significant financial hindrance to assess a separate customer charge for each radio transmitter installed.

The agreement allows MetroFi to take energy from third-party-owned streetlight circuits instead of PG&E's distribution system

The Agreement provides for MetroFi to connect directly to, and to take energy from, third-party-owned streetlight circuits, instead of PG&E's distribution system. The Agreement also provides for PG&E to bill MetroFi a customer charge on a per city/county account basis, instead of a per-unit basis, to simplify billing procedures and reduce administrative costs.

Under the Agreement, MetroFi is responsible for obtaining any necessary rights or permission for the placement and use of the radio transmitters on third-party-owned streetlight circuits. As part of the transaction, MetroFi will sign PG&E's Absolving Service Agreement (Form 62-4501). MetroFi will also provide an irrevocable letter of credit in a form acceptable to PG&E to cover the faithful performance of MetroFi's obligations under the Agreement, including any costs associated with the disconnection or removal of the radio transmitters from the third-party-owned streetlight circuits.

PG&E will bill MetroFi under charges shown in Schedule A-1

MetroFi will be billed for its energy usage under charges shown in Schedule A-1 based on the kilowatt-hour demand shown in Attachment A to the Agreement. The billed amount and other non-tariff information may be subject to change. Attachment A may be revised due to changes in MetroFi's operating circumstances or changes in the current provisions or reporting requirements. The applicable customer charge in Schedule A-1, multiplied by a factor of thirteen (13), will replace the normal per unit customer charge. This customer charge is based on marginal cost calculations associated with the unique circumstances of MetroFi's radio transmitter installation.

PG&E believes that metering these installations would be impractical because of the size of the device and the method of attachment. Also, the electrical consumption by MetroFi's radio transmitters can be reasonably determined from manufacturer's specifications and test results, and operating characteristics of MetroFi's radio transmitters.

PG&E may audit MetroFi's inventory of transmitters

MetroFi will submit to PG&E a monthly inventory of all units installed, including GPS coordinates, to be entered into PG&E's billing system. PG&E has the right to hire an independent auditor, at the expense of MetroFi, to verify the accuracy of MetroFi's inventory reporting. PG&E may retroactively bill for any inaccuracies under existing tariffs.

The agreement mitigates concerns about potential electricity use without compensation

In a prior Resolution (E-3543; July 2, 1998), the Commission approved an Agreement between Metricom, Inc., a provider of wireless service, and PG&E for unmetered electric service. When Metricom went bankrupt, PG&E learned that Metricom had installed facilities without PG&E's knowledge and was using electricity without compensation. Further, PG&E was unable to disconnect these facilities from third-party fixtures, most often street lights belonging to municipalities because PG&E had not access to the fixtures.

In the proposed Agreement between PG&E and Metro-Fi, both parties have agreed to conditions (the audit, letter of credit, right-of-entry, and absolving service agreement) that would mitigate the problems that occurred with the Metrocom Agreement.

NOTICE

Notice of Advice Letter 2551-E was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.. In addition, telephone utilities were provided notice of availability of the Advice Letter.

PROTESTS

Advice Letter 2551-E was not protested.

DISCUSSION

The PG&E/MetroFi agreement will reduce costs

The Energy Division staff has reviewed Advice Letter 2551-E and its supporting documentation and finds that PG&E will recover its costs from MetroFi. Energy usage is billed at tariffed rates times the kilowatt-hour demand of the devices, thus MetroFi pays no more nor less than a similarly situated A-1 customer. The cost of separately billing the accounts is recovered by the customer charge. PG&E and MetroFi have agreed to provide a bill for each municipality¹ rather than for each device. This aggregation reduces the costs of PG&E and consequently for MetroFi, and it allows MetroFi to introduce a high technology service at a lower cost to its customers.

Moreover, with the conditions imposed on MetroFi, the Agreement is structured such that unexpected events would not place an unnecessary burden on PG&E or its ratepayers.

PG&E shall file a supplemental advice letter to update its list of contracts and deviations

In its advice letter, PG&E asserts that the filing of the advice letter is authority to revise its tariffs (*List of Contracts and Deviations*). PG&E is reminded that it needs Commission authorization for the Agreement in accordance with General Order 96-A. PG&E needs to file a supplemental advice letter correcting its *List of Contracts and Deviations*. The authority for the Agreement is this Resolution.

The proposed Agreement is reasonable and should be approved.

¹ A municipality is the largest aggregation that can be used since each municipality has a slightly different franchise factor.

COMMENTS

Parties to this resolution have stipulated to a waiver of the comment period pursuant to the Commission's Rule 77.7(g).

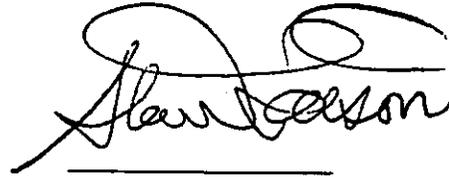
FINDINGS

1. PG&E filed Advice Letter 2551-E requesting the approval for an Agreement for unmetered electrical service between it and MetroFi, Inc.
2. PG&E will recover its costs from MetroFi.
3. The Agreement is structured such that unexpected events would not place an unnecessary burden on PG&E or its ratepayers.
4. The Agreement is reasonable and should be approved.
5. PG&E must add the MetroFi agreement to its list of contracts and deviations.

THEREFORE IT IS ORDERED THAT:

1. Pacific Gas and Electric Company's Advice Letter 2551-E is approved with modifications as described herein.
2. Within 7 days of today's date PG&E shall file a supplemental advice letter that adds this Agreement to the *List of Contracts and Deviations* under the authority of this Resolution. The supplemental advice letter shall be effective on today's date subject to Energy Division determining that it is in compliance with this order.
3. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on October 28, 2004; the following Commissioners voting favorably thereon:

A handwritten signature in black ink, appearing to read "Steve Larson", written over a horizontal line.

STEVE LARSON
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners



November 5, 2004

Advice 2551-E-A
(Pacific Gas and Electric Company ID U 39 E)

Subject: Agreement with MetroFi, Inc. for Unmetered Electrical Service

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits this supplemental filing to add its Agreement with MetroFi, Inc. ("Agreement") for unmetered electric service to its electric List of Contracts and Deviations in accordance with Resolution (R.) E-3899 issued October 28, 2004. The affected tariffs are listed on the enclosed Attachment I.

Purpose

MetroFi, a provider of wireless, broadband internet service, uses radio transmitters attached to third-party-owned streetlights, to provide its services within PG&E's service territory. The Agreement provides for PG&E to charge MetroFi for unmetered electric service, through third-party-owned streetlight circuits, to MetroFi's radio transmitters.

The Agreement provides for MetroFi to connect directly to, and to take energy from, third-party-owned streetlight circuits, instead of PG&E's distribution system. The Agreement also provides for PG&E to bill MetroFi a customer charge on a per city/county account basis, based on charges shown in Schedule A-1—*Small General Service*, instead of a per-unit basis.

On October 28, 2004, the Commission issued R. E-3899, approving the Agreement as filed in Advice 2551-E, and ordering PG&E to file a supplemental advice filing within seven days of issuance of the resolution to add the Agreement to its electric List of Contracts and Deviations, including the resolution number approving the filing.¹

¹ PG&E is also adding the resolution number to the electric List of Contracts and Deviations for its contract with TCI Cablevision, filed in Advice 2314-E and approved by Commission in Resolution E-3819.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **November 19, 2004**, which is 19 days from the date of this filing.² The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief – Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian K. Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

Effective Date

In accordance with Ordering Paragraph 2 of R. E-3899, PG&E requests that this advice filing become effective on the day of this filing, **October 28, 2004**, which is the date of issuance of R. E-3899.

² Protest period shortened by one day due to Thanksgiving holiday.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached mailing lists. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can be accessed electronically at:

<http://www.pge.com/tariffs/>

A handwritten signature in cursive script that reads "Brian K. Cherry" followed by a stylized flourish.

Director, Regulatory Relations

Attachments

cc: Telecom service list

**ATTACHMENT I
ADVICE 2551-E-A**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
22426-E	List of Contracts and Deviations (Cont'd.)	19352-E
22427-E	Table of Contents (Cont'd.)	21637-E
22428-E	Table of Contents	22418-E



LIST OF CONTRACTS AND DEVIATIONS
(Continued)

Name and Location of Customer PG&E Installation Reference No.	Type or Class of Service	Execution and Expiration Dates	Commission Authorization Number and Date	Most Comparable Regular Tariff		
				Schedule or Rule No.	Contract Difference	
<u>MISSION TRAIL REGION</u> (Cont'd.)						
<u>Other Customers</u> (Cont'd.)						
Qume Corp. International Business Park in San Jose	Coml	4-10-79 ---	---	Rule 2	Cost of Ownership Charge	
Santa Maria Radiology Lab Santa Maria	Coml	5-22-79 ---	---	Rule 2	Cost of Ownership Charge	
Peninsula Volunteers, Inc. Menlo Park	Domestic	11-1-79 ---	Res. E-1876 4-2-80	Rule 18	Master Metered	
Union Oil Company Santa Maria	General Services	5-5-88 5 Years	D.88-08-056 8-24-88	E-20	Special Rate	
Union Oil Company Santa Maria	General Services	12-27-91 ---	D.90-12-128 12-27-90	E-20	Special Rate Amendment	
Marilyn Creer Canada Road	Domestic	9-1-92	Res. E-3260 3-31-92	Rule 15 Sect. E7	Uneconomic Line Purchase	
TCI Cablevision of California, Inc. Santa Clara, Santa Cruz, and Monterey Counties	New Business	11-27-02 3 Years	Res. E-3819 Advice 2314-E	Rule 15 and Rule 16	Designated Workgroup Agreement	(T)
MetroFi, Inc. Mountain View	Coml	9-7-04	Res. E-3899 Advice 2551-E	Schedule A-1	Unmetered Electric Service	(N) (N)

*1 to *4 See last page of Electric Contracts and Deviations Section for explanation of footnotes.

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**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool
Accent Energy
Agllet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Aicantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Chevron Texaco
Chevron USA Production Co.
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
Cooperative Community Energy
CPUC
Creative Technology
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
Dept of the Air Force
DGS Natural Gas Services
DMM Customer Services
Douglass & Liddell
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Energy Management Services, LLC
Enron Energy Services
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Luce, Forward, Hamilton & Scripps
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
Office of Energy Assessments
Palo Alto Muni Utilities
PG&E National Energy Group
Pinnacle CNG Company
PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
Turlock Irrigation District
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA