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PG&E eases stance on CEO package, SmartMeters

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Mired in multiple controversies, PG&E Corp. on Monday tried to quiet critics on two fronts.

The company reported that its customers won't have to pay for chief executive Peter Darbee's \$34.8 million retirement package, widely attacked as lavish after Darbee announced his retirement last week. Instead, the cash will come from PG&E profits.

In addition, the company granted a temporary reprieve to people who don't want the new SmartMeters from Pacific Gas and Electric Co., PG&E Corp.'s subsidiary. Customers can now keep their old electricity and gas meters until state regulators approve a SmartMeter opt-out plan later this year, a company spokesman said Monday.

Neither step will mend PG&E's strained relations with the public or politicians. But some of the company's most vocal critics said on Monday that they were pleased to see PG&E management take complaints seriously.

"The thing that PG&E hasn't been doing is listening to its customers," said Mindy Spatt, spokeswoman for The Utility Reform Network watchdog group. "And in both of these cases, it looks like we're finally getting through to them."

Darbee announced Thursday that he will step down at the end of the month in an effort to give his company a fresh start after a disastrous year. The company has been shaken by the Sept. 9 explosion of a PG&E natural gas pipeline that killed eight people in San Bruno, a simmering debate over the safety of its wireless SmartMeters and voter rejection of a ballot initiative that PG&E spent \$46 million promoting.

The size of Darbee's retirement package, however, quickly became its own controversy. Although most of the package, about \$21 million, comes in the form of stock, the idea that customer utility bills would fund the rest galled many people, including Gov. [Jerry Brown](#).

Shareholders pay

So on Monday morning, the company's board of directors decided that Darbee's retirement benefits would be funded from PG&E profits. Shareholders, not customers, will pay.



"Renewing public faith in PG&E is critical to our future," said PG&E director Lee Cox, who will step in as interim chief executive officer of PG&E Corp. next week. "Today's decision is another opportunity to show customers, regulators and others that PG&E is listening closely and taking action to earn back their confidence."

The company also agreed to delay SmartMeter installation for customers who don't want the devices.

The utility has installed more than 7.6 million SmartMeters - digital meters that are considered a basic building block for the "smart grid." PG&E's wireless SmartMeters communicate directly with the utility, eliminating the need for most meter readers. But PG&E has faced fierce resistance from people who say the radiation from wireless devices endangers public health.

Smartmeter opt-out

Under pressure from the California Public Utilities Commission, the company last month proposed an option for such customers. If the commission approves the plan, PG&E would still install SmartMeters at virtually every customer's home, but the homeowner could choose to have the meter's radio transmitter turned off. That choice would cost customers as much as \$20 per month, in addition to an up-front fee, because the company would need to send a meter reader to that particular house.

The utilities commission won't vote on PG&E's opt-out proposal until mid-September, at the earliest. Until then, customers who have not yet received a SmartMeter can call the company at (877) 743-7378 and ask to put off installation.

After the opt-out program begins, the company will call those customers and ask whether they want the SmartMeter's radio turned off once it is installed. The customers will still get a SmartMeter whether they want it or not - they'll simply hold on to their old, analog meters a little longer.

"As the installations go forward, we wanted to make sure that customers who do have that concern had an option to delay," said PG&E spokesman Jeff Smith.

The idea came from Jason Burnett, a city councilman in Carmel. He initially asked PG&E to delay installations for concerned customers in his city alone, but then suggested doing so throughout the company's service territory.

"Hopefully, it'll reduce the controversy," said Burnett. The company, he said, may even save a little money, because delaying installation will cut down the number of trips that technicians must make to the homes of customers who eventually choose to have their SmartMeter radios turned off.

Not satisfied

The delay, however, won't satisfy SmartMeter opponents. They consider PG&E's proposed opt-out plan inadequate, because people who get their transmitters turned off will still be exposed to radiation from SmartMeters at nearby homes. Delaying installation doesn't help, said Joshua Hart, with the group Stop Smart Meters.

"The only thing that is going to get us toward a solution is to retain the analog meters and allow people who have been sickened by the SmartMeters to get their analog meters returned," Hart said.

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