



December 5, 2014

Mayor Cooper:

I hope this Holiday season finds you and the Alamo Heights community well. I wanted to follow up with you about our smart meter opt-out policy.

As you know, we have continually sought out ways to compromise and resolve concerns expressed by some members of the Alamo Heights community. In addition to consulting with our Alamo Heights customers, we have reached out to many other stakeholders, including the Office of the Speaker of the Texas House of Representatives and State Representative Lyle Larson. As a result of those discussions, we are revising our opt-out policy to include another option that will allow customers to keep their current non-communicating meter, or if the meter at their premise has already been upgraded, have a non-communicating meter reinstalled as an exception, if they so choose.

The charges that we have communicated for opting out of the smart meter program will remain in effect. Any customer who opts out of our smart meter program, and provides notice prior to installation of a smart meter, will be charged a \$20 monthly fee for the manual meter reading service that will be required.

To summarize, the options available include:

- Agree on the installation of a smart meter (no action required)
- Notify us prior to the installation of the desire to opt-out – standard OMR meter is installed (opt-out form required, \$20 monthly opt-out fee applies)
- Notify us prior to the installation of the desire to opt-out and request a non-communicating meter or to keep the meter the customer has if it meets that non-communicating criteria (opt-out form required, \$20 monthly opt-out fee applies)
- If notification is not made prior to installation of the smart meter, the customer can still opt-out post smart meter installation with one of the above options (opt-out form required, \$175 one-time fee applies for removal of smart meter and reinstallation of opt-out alternative, OMR or non-communicating meter, and \$20 per month opt-out fee applies)

This change is consistent with the commitment CPS Energy has made to continue to engage in a constructive dialogue on this issue and is consistent with established statewide policy. We hope this provides additional clarity for your constituents/our customers. If you have any questions, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Rudy Gonzalez".

Vice President, External Relations

cc: City Manager Mark Browne
State Representative Lyle Larson
Speaker of the Texas House Joe Straus
Doyle Beneby