

**PACIFIC GAS AND ELECTRIC COMPANY  
SMART GRID ANNUAL PRIVACY REPORT  
2016**

**APRIL 28, 2017**

**SMART GRID TECHNOLOGIES  
ORDER INSTITUTING RULEMAKING 08-12-009**

**CALIFORNIA PUBLIC UTILITIES COMMISSION**



## I. Introduction

On July 29, 2011, the California Public Utilities Commission (Commission) issued Decision (D.) 11-07-056, *Decision Adopting Rules to Protect the Privacy and Security of the Electricity Usage Data of the Customers of Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company*, which requires the submission of an annual privacy report regarding Covered Information for electrical corporations. Specifically, Ordering Paragraph (OP) 3 states: “Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must each submit annual privacy reports to the Executive Director, commencing with calendar year 2012, no later than 120 days after the end of the calendar year. As clarified in D.14-12-004, OP 3, these annual reports must contain the information required to be reported annually by Rule 4(c)(6), Rule 8(c) and Rule 9(e) of the Rules Regarding Privacy and Security Protections for Energy Usage Data in Attachment D of this decision.”

On August 31, 2012, the Commission issued D.12-08-045, *Decision Extending Privacy Protections to Customers of Gas Corporations and Community Choice Aggregators, and to Residential and Small Commercial Customers of Electric Service Providers*. OP 3 of D.12-08-045 requires that PG&E and SDG&E “submit to the Director of the Energy Division annual privacy reports... concerning gas corporations commencing with calendar year 2012. The first report will be due no later than 120 days after the end of the calendar year.” OP 5 of D.12-08-045 requires that Southern California Gas Company “must submit annual privacy reports to the Director of Energy Division ... commencing with March 2014.”

### Definitions:

A “covered entity” is (1) any electrical corporation or gas corporation, or any third party that provides services to an electrical or gas corporation under contract, (2) any third party who accesses, collects, stores, uses or discloses covered information pursuant to an order of the Commission, unless specifically exempted, who obtains this information from an electrical corporation, or (3) any third party, when authorized by the customer, that accesses, collects, stores, uses, or discloses covered information relating to 11 or more customers who obtains this information from an electrical or gas corporation.

“Covered information” is any usage information obtained through the use of the capabilities of Advanced Metering Infrastructure (interval usage data) when associated with any information that can reasonably be used to identify an

individual, family, household, residence, or non-residential customer. Covered information does not include usage information from which identifying information has been removed such that an individual, family, household or residence, or non-residential customer cannot reasonably be identified or re-identified and does not include information provided to the Commission pursuant to its oversight responsibilities.

The scope of this report includes covered information only. “Customer data” referenced in Rule 4(c)(6) is defined as “covered information” for the purposes of the Annual Privacy Report.

The “primary purposes” for the collection, storage, use or disclosure of covered information are to:

- (1) provide or bill for electrical power or gas,
- (2) provide for system, grid, or operational needs,
- (3) provide services as required by state or federal law or as specifically authorized by an order of the Commission, or
- (4) plan, implement, or evaluate demand response, energy management, or energy efficiency programs under contract with an electrical or gas corporation, under contract with the Commission, or as part of a Commission authorized program conducted by a governmental entity under the supervision of the Commission.

“Secondary purpose” means any purpose that is not a primary purpose.

Pursuant to OP 3 of D.11-07-056 and D.12-08-045, Pacific Gas and Electric Company (PG&E) hereby submits its annual privacy report.

## II. Privacy Report Requirements of D.11-07-056 and D.12-08-045

Attachment D of D.11-07-056 and Attachment A of D.12-08-045, *Rules Regarding Privacy and Security Protections for Energy Usage Data* (“Privacy Rules”), set forth the following rules, which are relevant to PG&E’s annual privacy report:

4(c)(6) On an annual basis, covered entities shall report to the Commission the number of demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property and the number of customers whose records were disclosed. Upon request of the Commission, covered entities shall report additional information to the Commission on such disclosures. The Commission may make such reports publicly available without identifying the affected customers, unless making such reports public is prohibited by state or federal law or by order of the Commission.

8(c) Annual Report of Breaches. In addition, electrical or gas corporations shall file an annual report with the Commission’s Executive Director, commencing with the calendar year 2012, that is due within 120 days of the end of the calendar year and notifies the Commission of all security breaches within the calendar year affecting covered information, whether by the covered electrical or gas corporation or by a third party.

9(e) Reporting Requirements. On an annual basis, each electrical or gas corporation shall disclose to the Commission as part of an annual report required by Rule 8(c), the following information:

- (1) the number of authorized third parties accessing covered information,
- (2) the number of non-compliances with this rule or with contractual provisions required by this rule experienced by the utility, and the number of customers affected by each non-compliance and a detailed description of each non-compliance.

This report addresses each of these rules, as described in Table 1.

### III. Smart Grid Annual Privacy Report Results: 2016

**Table 1. PG&E's Annual Privacy Report Results for 2016**

Rule	Description	Response
Rule 4(c)(6)	The number of demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property.	<ul style="list-style-type: none"> <li>Legal process: <b>406</b></li> <li>Imminent threat: <b>0</b></li> </ul>
Rule 4(c)(6)	The number of customers whose records were disclosed (related to demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property).	<ul style="list-style-type: none"> <li>Legal process: <b>714</b></li> <li>Imminent threat: <b>0</b></li> </ul>
Rule 8(c)	Annual report of all breaches within the calendar year affecting covered information, whether by the covered electrical corporation or by a third party.	<ul style="list-style-type: none"> <li><b>7</b></li> </ul>
Rule 9(e)(1)	The number of authorized third parties accessing covered information.	<ul style="list-style-type: none"> <li>Contractors and vendors under authorized PG&amp;E contracts: <b>Approximately 105</b></li> <li>Share My Data vendors: <b>86</b></li> <li>Third parties authorized by customers: <b>Approximately 6,100</b></li> </ul>
Rule 9(e)(2)	The number of non-compliances with the Privacy Rules or with contractual provisions required by the Privacy Rules which become known to PG&E through its daily operations.	<ul style="list-style-type: none"> <li><b>7</b></li> </ul>
Rule 9(e)(2)	The total number of customers affected by each non-compliance.	<ul style="list-style-type: none"> <li><b>8</b></li> </ul>
Rule 9(e)(2)	Detailed description of each non-compliance.	<ol style="list-style-type: none"> <li>Email containing Covered Information inadvertently sent to unauthorized third party due to human error.</li> <li>Email containing Covered Information inadvertently sent to unauthorized third party due to human error.</li> </ol>

	Detailed description of each non-compliance (continued).	<ol style="list-style-type: none"> <li>3. Covered Information was made available to another customer due to an account linkage issue on pge.com</li> <li>4. Email containing Covered Information inadvertently sent to unauthorized third party due to human error.</li> <li>5. Email containing Covered Information inadvertently sent to unauthorized third party due to human error.</li> <li>6. Covered Information was shared with an unauthorized Demand Response provider without an appropriate contract to cover the data sharing.</li> <li>7. Covered Information was made available to an unauthorized third-party as part of their Rule 24 data feed.</li> </ol>
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Note: As noted in the 2014 Annual Customer Privacy Report, as a result of process improvements related to customer authentications, PG&E implemented a process for restricting multiple on-line user access to customer energy usage data. In December, 2016, PG&E also implemented digital authorization and email validation enhancements to the online registrations, and restricted new residential customer online access to one residential username per account. PG&E will continue improving its online customer authentication processes in 2017, including confirming and validating the customer authorizations for approximately 35,000 on-line customers whose accounts remain subject to multiple user access.