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PRESS RELEASE

Docket #: A.09-08-005

CPUC APPROVES REFUND TO ELECTRIC CUSTOMERS OF PG&E

SAN FRANCISCO, October 15, 2009 – The California Public Utilities Commission (CPUC) today approved a refund of \$424.4 million to electric customers of Pacific Gas and Electric Company as a result of an over-collection of funds needed to pay for the cost of electricity.

PG&E requested CPUC approval to make a refund to customers when it determined that its Energy Resource Recovery Account (ERRA) is projected to be approximately \$424.4 million over-collected as of December 31, 2009. Refunds will be made to electric customers in the form of a one-time bill credit in the November/December 2009 billing cycle.

The CPUC said that the refund is possible because energy costs this year have been lower than expected when the CPUC updated PG&E's electric rates a year ago. Because those costs dropped more than expected, PG&E no longer needed all the funds it had already collected from ratepayers. Today's order ensures that the customers who paid the extra costs will now receive that money back in the form of a credit on their bills. Furthermore, since energy prices continue to be low, the CPUC will establish PG&E's expected cost of electricity for next year at a level that ensures that customer bills will continue to collect no more than these costs on a going-forward basis.

"PG&E's customers will receive a bill credit as the holidays approach," said CPUC President Michael R. Peevey. "Some residential electric customers of PG&E may see a credit as high as a couple of hundred dollars while the average is expected to be approximately \$35."

Added Commissioner Rachelle Chong, “Fortunately, electricity prices have been lower than forecast this year. Therefore, we are directing PG&E to provide an immediate refund to its customers.”

The proposal voted on is available at

http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/108326.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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