



California Public Utilities Commission

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News Release

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PUC APPROVES SETTLEMENT IN PG&E'S RATE CASE

SAN FRANCISCO, March 15, 2007 - The California Public Utilities Commission (PUC) today approved general revenues for both gas and electric services for Pacific Gas and Electric Company (PG&E) for 2007 through 2010.

The PUC authorized an increase of \$213 million for 2007, approximately \$182 million less than was initially sought by PG&E. Additional increases of \$125 million will occur in 2008, 2009, and 2010. PG&E is also allowed to recover an additional \$35 million for a refueling outage at the Diablo Canyon Nuclear Power Plant. The increases in General Rate Case revenue amount to 4.5-percent in 2007, 2.5-percent in 2008, 3.2-percent in 2009, and 1.7-percent in 2010. The increase in PG&E's overall revenue requirement is 1.4-percent in 2007, 0.8-percent in 2008, 1.0-percent in 2009, and 0.6-percent in 2010.

Today's decision is the result of a settlement agreement between PG&E and the PUC's Division of Ratepayer Advocates. "The settlement is reasonable in light of the whole record, consistent with the law, and in the public interest," said PUC Commissioner John Bohn. "I am pleased that this case was largely resolved through a settlement agreement. The parties saved us a great deal of effort by crafting a result for the Commission's review."

In addition to settling the general revenue requirement for PG&E, there are other provisions of the settlement that benefit Californians. Under the settlement, PG&E will next have its general revenues analyzed in 2010, when the 2011 "test-year" is calculated. PG&E's 84 front counters that service customers in-person will remain open, pending further developments in a second phase of this proceeding. PG&E will provide a Bill-Calculation Service for mobile home park owners with sub-metered tenants. PG&E will also take certain measures to improve its operations affecting disabled persons.

"While I support the settlement I intend to give further attention to how customer deposits are treated by PG&E," said PUC Commissioner Timothy Alan Simon. "My concern is that the

practice is potentially predatory. However, I believe this customer class creates an opportunity to promote financial literacy as a means of energy efficiency.”

As a result of today’s decision, PG&E will make a good-faith effort to meet a minority-contract goal of 20 percent by 2010 or earlier, and to reach an even higher goal of 27 percent or more by 2015. PG&E also pledges to make a good-faith effort to being a national leader in the diversity of its Board of Directors. This will include efforts to ensure that the Board includes African-Americans, Latinos, and Asian-Americans.

Finally, PG&E’s cash philanthropy has increased in just four years from 0.25-percent to 1.2-percent of pre-tax income, and the portion of PG&E cash philanthropic giving to underserved communities increased from 25-percent to almost 70-percent. PG&E pledges to make a good-faith effort to maintain this progress.

The draft proposal is available on the PUC’s website at www.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/65560.DOC.

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

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