



California Public Utilities Commission 505 Van Ness Ave., San Francisco

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PRESS RELEASE

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CPUC CONSIDERS PROACTIVE STEPS TO ENABLE LIFTING SUSPENSION OF DIRECT ACCESS

SAN FRANCISCO, February 28, 2008 - The California Public Utilities Commission (CPUC) today said that while it does not have the authority to unilaterally lift the suspension on Direct Access at the present time, it can consider lifting the suspension if certain legal requirements are met.

Assembly Bill (AB) 1X mandates that the suspension of Direct Access continue until the California Department of Water Resources (DWR) no longer supplies power. As stated in today's decision, as long as DWR holds legal title to power that it sells to retail customers it is deemed to be "supplying power" under the statute. Before the CPUC can consider lifting the ban on Direct Access, it must consider proactive strategies to remove DWR from its role as a power supplier under AB 1X.

"The suspension of choice in power providers cannot be lifted until DWR no longer supplies power through the contracts that were signed during the energy crisis," said CPUC President Michael R. Peevey. "Accordingly the CPUC can and should evaluate the merits of ways to extricate DWR from its current role as supplier of energy under those existing contracts. After that the CPUC can proceed to the question of whether and how to reinstate Direct Access."

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