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**PRESS RELEASE**

Docket #: A.09-02-022

**CPUC APPROVES PEAK DAY PRICING RATES FOR PG&E, GIVES CUSTOMERS GREATER CONTROL OVER THEIR ELECTRICITY BILLS**

SAN FRANCISCO, February 25, 2010 - The California Public Utilities Commission (CPUC) today adopted new rate structures for commercial, industrial, and agricultural customers of Pacific Gas and Electric Company (PG&E) as part of an effort to implement dynamic electricity prices for all California consumers. These rates are designed to reflect the cost of electricity production during periods of high demand. When combined with PG&E's Smart Meters, these rates will provide an opportunity for customers to lower their bills while improving system reliability and reducing greenhouse gas emissions.

Beginning November 1, 2011, many commercial and industrial customers will begin moving to new Peak Day Pricing rates. Customers on these rates will pay different prices for electricity depending on the time of day. On the few hottest days of the year, prices for electricity used between 2 p.m. and 6 p.m. will increase further. However, PG&E will notify customers about these peak days one day in advance, so customers can plan accordingly. All customers who participate in the Peak Day Pricing program will have options to reduce the uncertainty that these rates may cause. For example, customers will have an option that protects them for the first year they are on the new rate if their electricity costs for the year are higher because they are on the Peak Day Pricing rate versus when they were on their old rate structure. Customers can also opt out of the Peak Day Pricing rate anytime within the first year of participation if they feel the rate is not working for them. Customers that choose to stay on the rate can also use conservation efforts or move their usage to other times to limit their exposure to these peak time rates.

“By providing real economic incentives to reduce electric demand during peak periods, we can increase customer involvement in managing California’s energy supply, reduce greenhouse gas

emissions, and manage future power plant development costs,” said CPUC President Michael R. Peevey.

Added Commissioner John A. Bohn, “It is important that customers participate in energy savings opportunities to help mitigate the impact of higher rates during summer hours.”

Among other things, today’s decision says:

- Large commercial and industrial customers will be defaulted to Peak Day Pricing rates on May 1, 2010, unless they proactively choose to opt out to a time-of-use rate. Peak Day Pricing will become the default tariff for small and medium commercial and industrial customers beginning November 1, 2011.
- Peak Day Pricing will become the default tariff for large agricultural customers beginning February 1, 2011. Time-of-use rates will become the default tariff for small agricultural customers beginning February 1, 2011.
- There will be between nine and 15 Peak Day Pricing event days per calendar year.
- All customers that are defaulted to, or choose, Peak Day Pricing rates will be afforded bill stabilization for the first year, unless they choose to waive such protection. All customers subject to Peak Day Pricing will have a hedging option to reduce bill volatility.
- Customers who are on Peak Day Pricing rates may opt out any time during the first year they are on such rates.

The CPUC ordered PG&E to conduct outreach and education activities and measures to ensure that customers are aware of and understand the new rates and options. “I expect PG&E to do an outstanding job on their outreach and education, especially for small businesses. The CPUC will closely monitor PG&E’s progress,” said Commissioner Nancy E. Ryan.

Today’s decision authorizes PG&E cost recovery of capital expenditures and operating expenses for the years 2008-2010.

The proposal voted on is available at

[http://docs.cpuc.ca.gov/PUBLISHED/AGENDA\\_DECISION/114059.htm](http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/114059.htm).

For more information on the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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