

Dear xxxxxxxxxx:

On February 25, 2010, the California Public Utilities Commission finalized PG&E's rate filing for Peak Day Pricing (PDP). Since we began our large commercial and industrial outreach in October 2009, there have been several noteworthy changes and/or clarifications. Please review the following changes and let us know if you have any questions.

PDP Implementation dates

- The implementation date for small and medium businesses has been changed from February 1, 2011 to November 1, 2011.

PDP Event Triggers

- The program mandates that between 9 and 15 events will be called every year. If the program is not on pace to call nine events prior to the end of the summer, the temperature threshold will be lowered by two degrees to force additional PDP event days. If this is necessary, customers will be notified that the temperature threshold has decreased.
- Redding was inadvertently listed as one of the 5 forecast stations. The forecast station is actually located in Red Bluff.
- PG&E may decide to call a PDP event for testing/evaluation purposes. However, PG&E expects the circumstances for this type of event to be very rare.

PDP Charges and Credits

- The E19 and E20 PDP event charge will be \$1.20/kWh. The PDP event charge was originally set at \$1.80/kWh until early last fall, when it was reduced to \$1.20/kWh.
- The A10 PDP event charge has been reduced to \$0.90/kWh. The PDP event charge had been set at \$1.80/kWh until early last fall, when it was reduced to \$1.20/kWh, and then further reduced with the final decision in late February to \$0.90/kWh.
- If an A10 customer selects the six-hour event option (as opposed to the default four-hour event), the PDP event charge has been reduced to \$0.60/kWh.
- The final version of the rate tables is included as a separate attachment.

Capacity Reservation (E19, E20 customers)

- In past communications, the capacity reservation level has been referred to as the "capacity reservation charge." The term has been changed to capacity reservation level (CRL) to more accurately reflect the true nature of this feature.
- There is no CRL penalty in winter months. However, energy usage below the CRL will still be protected from the PDP event charge if an event is called during the winter months.

Customer Decisions and Timing

- Eligible customers will receive a PDP default notification letter within a few days after their March bill date.
- In order to register your PDP decision with PG&E, you should use the following on-line site: <http://www.pge.com/pdpchoice/>
- Customers choosing to affirm must do so at least five business days prior to their May default date. Affirming will ensure proper notifications and options are selected.
- Customers choosing to opt out, must do so at least two business days prior to their May account bill date or they will default to PDP.
- Dual enrollment in PDP and a Demand Response program has not yet been approved by the CPUC. A decision is expected sometime in early May.
- If you participated in the early opt out option (prior to March 1, 2010) and you received a PDP default notification letter, please disregard.
- Customers that affirm or default will be allowed to opt out within the first year (with 30 days notice). If a customer decides to opt out prior to one full year of participation in PDP, the customer will still receive the benefit of bill stabilization for the truncated time period in which they participated in the PDP program.

Option 1 (Account Manager sending)

If you have any questions about Peak Day Pricing or your decisions, please let me know, or feel free to access the PDP choice website:
<http://www.pge.com/pdpchoice/>.

Respectfully,

Account Manager Name
Title
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Option 2 (PDP specialist sending to workshop participants)

If you have any questions regarding the Peak Day Pricing plan, please contact your PG&E Account Manager or refer to the contact links at our PDP choice website: <http://www.pge.com/pdpchoice/>.

Respectfully,

Peak Day Pricing Team
PG&E