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**PG&E PROPOSES SMARTMETER™ OPTION**

*Proposal gives customers “radio-off” choice*

**SAN FRANCISCO, Calif.** – Pacific Gas and Electric Company (PG&E) today proposed a plan to give residential customers the option to have the radios in their SmartMeters™ turned off. Consistent with the California Public Utilities Commission’s (CPUC) direction, the utility’s proposal would not increase costs for customers who choose to keep a fully functioning SmartMeter™.

“We believe this proposal addresses concerns some customers have about SmartMeters™ while still delivering the many benefits of SmartMeter™ technology to the majority of customers,” said Greg Kiraly, PG&E Vice President, SmartMeter™ Operations. “The overwhelming weight of scientific evidence assures us that the low-level Radio Frequency signals from our SmartMeters™ are safe – in fact, even safer than many household products, including cell phones and microwave ovens. But we know some customers nevertheless have concerns about the meters and we take those concerns seriously.”

PG&E submitted the proposal today to the CPUC. If the CPUC approves, PG&E will work quickly to make the option available to customers.

Under this proposal, customers would pay reasonable upfront and recurring fees to cover the costs of turning off the radio, manually reading the meters every month, modifying IT systems and providing information to customers on the program through call centers and other channels. The fees would also help reinforce the existing SmartMeter™ network to compensate for any degradation that turning off the radio causes.

Customers enrolled in the California Alternate Rates for Energy program would receive a discount of 20 percent. Customers would also have the option to take advantage of reasonable financing plans on the upfront charge.

Additionally, customers who would like their SmartMeter moved to a different location on their property can take advantage of an existing tariff to make that request. The cost of

relocating the meter would vary depending on such factors as whether the customer receives underground or overhead service.

On March 10, CPUC President Michael Peevey requested that PG&E “bring to this commission a proposal or series of proposals that will allow customers with an aversion to wireless devices the option of being metered without the use of wireless technology.” He added that the options should come “at a reasonable cost, to be paid by the customers who choose to opt out.”

PG&E began implementing its SmartMeter program in 2006. Utilities throughout the United States and around the world are using similar smart meter technology, with more than 90 million advanced metering devices deployed worldwide at the end of 2010. The federal government and the international health community, including the World Health Organization, have deemed the low-level radio frequency on which PG&E’s SmartMeters™ rely to be completely safe. And in California, a recent independent study found that SmartMeters™ meet every known health standard.

SmartMeter technology enables a number of current and future services for customers, including:

- Hourly electric and daily gas usage data presentment through a secure PG&E website.
- Energy alerts to notify customers when they’re approaching a higher priced electric tier and to encourage a change to their energy use.
- Outage information to help PG&E quickly restore service.
- Remote service connection as a convenience for customers.
- Special time-varying rate programs.
- Home Area Network in-home energy management devices that display the energy usage of your appliances.

These services will not be available to customers who elect to have the radio device turned off.

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with 20,000 employees, the company delivers some of the nation’s cleanest energy to 15 million people in Northern and Central California. For more information, visit:

<http://www.pge.com/about/newsroom/>.